Volume XXXV] *December, 1920* [*Number 4*

POLITICAL SCIENCE QUARTERLY

A THEORY OF HISTORY

[Copyright 1920, by Franklin H. Giddings. All rights reserved.]

THERE may have been theories of history before *The Book of the Dead* was compiled. The title itself of that cheerful Nilitic document suggests that there were. Perhaps there will be theories of history after the Adams family has been forgotten, although this is more doubtful. That there will be comprehensive (and plausible) philosophies of history after the intellectual remains of Friedrich Hegel and Karl Marx have been cremated, is highly probable.

Speculation is here piquant and more or less alluring, but profitless. Turning, therefore, to the record of occurrence, one remarks that the historical theories of history are nearly as numerous as historians. Paradoxically, however, their historicity lies almost wholly in the circumstance that they are facts of record. So far as intellectual content goes they are philosophy rather than history, and the outstanding ones have been evolved by philosophers, not brought forth by historians. The reason, of course, is simple. History primarily is factual detail, and altogether concrete. Secondarily it ventures, timorously, upon generalization. It depicts "situations", "general aspects", and "trends". In so doing it becomes, in modest measure, philosophy or (sadly or gladly) sociology!

No fault can be found, therefore, with sociologists of the shameless sort if, to conserve energy, they generalize further and examine the theories of history not individually, in every instance, but usually by kinds or types.

From Plato to Comte and from Comte to the Adams brothers one encounters five distinct type groups of theories of history.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The first group comprises the predestinational philosophies of the metaphysicians, theological and other. In the second group fall the philosophies of social self-determination. Plato's view, by his own account of it, was a hybrid. In part the gods arrange human affairs, in part men freely plan and freely achieve. A third group of interpretations goes back to geographical or "environmental" influence. The writings of Montesquieu remain the classical example, but the painstaking researches of present-day workers like Ellen C. Semple and Ellsworth Huntington are building a more substantial structure.

Theories of the fourth group explain history in terms of heritage (not heredity). Heritage is the total product (and by-product) of human activity hitherto which we now enjoy. It includes our acquired habits (in distinction from our original instinctive nature), our arts, our knowledge and our property. Piling up and distributing heritage, history cuts its own tortuous channel, as a river does when it scours mud and gravel from one bank to contribute it to the other. In their several and unlike ways Comte, Buckle and Karl Marx interpret history in terms of heritage. Comte sees mankind moving from a theological through a metaphysical into a positive or scientific intellectual habit. Buckle corrects naïve resolutions of history into geography and climate by calling in a secondary or cultural environment, antecedent or contemporaneous. The Marxian "materialistic" interpretation, notwithstanding the mistaken and extravagant claims that have been made for it, is materialistic in a moral sense of the word only. It is an attempt to account for all that has happened or can happen to socially organized mankind by the aggregation and functioning of property.

The working hypotheses that make up our fifth, and for the time being last, group of philosophies of history, are modern. They are chapters out of the book of cosmic dynamics. They account for the stream of human experience as the solar system or a thunder storm is accounted for, as a case of equilibration. Herbert Spencer and Brooks Adams, leaving nothing to imagination, resolve it into a degradation of physical energy. Individual biologists and bio-anthropologists, taking the degra-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dation of energy for granted, see history as heredity and natural selection. Taking physics and biology both for granted, I am writing these pages to intimate, and perhaps gently to argue, that human history is a psychological, or behavioristic, equilibration.

The premise merely, or datum, from which this intimation and this argument must proceed is not new. Modern fashion denies it and sneers at it. The premise is that men are not born equal, and from the beginning of time never have been. Or, in the language of dynamics, it is that just as heat energy is not uniformly distributed in space, and therefore radiates from molecules in lively motion upon molecules in sluggish motion; and just as physiological vitality is not uniformly distributed among stocks and races, and therefore some stocks are either driven to the wall or are kept alive by such as bear the infirmities of the weak; so behavioristic reaction to stimulation, whether it is an instinctive or a rational reaction, impulsive or forecasting, is more alert and more tireless, more ranging and more varied, more modifiable and more adaptive, better correlated and better coordinated on the part of some aggregations of men than it is on the part of other aggregations; and, therefore, practical activity spills over from alert populations, alert component groups and alert constituent classes, upon sluggish populations, sluggish component groups and sluggish classes. When the overflow began history began, when it ceases history will end.

Whether a theory exploitive of this premise will prove to be, as pure science, more illuminating or more clarifying than other theories of history have been, I am not sure; I hope it may. But if it is true, or as far as it is true, it has a pragmatic value that should obtain for it a patient hearing. The whole world at present is intellectually muddled and morally bedevilled. It is trying to reconstruct society upon a hypothetical equality of all mankind. If it succeeds, it will destroy historic achievement from the beginning, and will send mankind to perdition.

My venture, therefore, is an adventure; but before I and such as will go with me set forth upon it let us linger self-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

indulgently a moment (for it is a pleasurable thing to do) upon history in its concreteness, as it appeals to imagination and our love of mere narration.

History is a scenario and a play, a swiftly moving film and a drama in which every human passion contends with every other, brutally or intellectually, upon the stage of life. More than this, history is also a prodigious creative effort, tremendous beyond our power to conceive it, and an achievement overwhelming to our finite ability to appraise. And always, whether as scenario or as play or yet as achievement, history is a story, holding in every generation the interest of childhood and of age.

Like all good stories it begins *in medias res*, that is to say, when men have lived long enough and have learned enough to leave written records of their doings. It begins, so far as our present knowledge goes, in Egypt and in Sumer.

But also, like all good stories, when history has introduced its characters it goes back, and more or less accounts for them, telling us something of their previous occupations and experiences, their interests, their associations and peregrinations, and how they happened to arrive in the situation where we have encountered them. This chapter in the story of history is now-a-days called prehistory, and because we have no written records to extract it from, it is essentially a film of scenes rather than a play, in the truer sense of the word. The materials for it have been obtained from geology and biology, anthropology and archaeology.

As the reel begins to move we see sluggish rivers, and tropical trees alive with monkeys that have learned how to throw things and so, from safe distance, to beat off dangerous enemies that would make short work of them in the close-up fighting of bodily contact. Then we see apes, bigger and possibly more clever than the gorillas and chimpanzees that survive in our menageries. They can stand almost erect and fight with clubs as well as throw stones. They can build of sticks rough habitations for their young and are not afraid to shuffle about

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on the ground. Their bones are found all the way from Farther India to Southwestern Europe. Presently, in tertiary Java, we see Pithecanthropus Erectus, a brute so like an ape and yet so like a man that comparative anatomists hesitate to say for certain whether he is a primate only or truly *homo sapiens*. In any case he is a "link", no longer "missing", between man and his progenitors, and so we leave him.

Now on the screen come bones—only bones—but they stimulate imagination. The Heidelberg jaw, the Piltdown skull, the Neanderthal skull—these are remains of man. Of this there is no doubt, and as a series they exhibit our kind progressively losing simian traits and, throughout one hundred thousand years after another, becoming the human species to which we ourselves belong.

From this point on we see things that early man makes, his artifacts: weapons, tools and utensils, and the places where he makes them and leaves them. At first, with his mate and children, his sisters and brothers, and their mates and children, he lives in the woods, along river margins, as numerous little savage hordes of the lowest type live today in the Andaman Islands, in tropical Africa and in Brazil; or they wander off in the bush, as Australians and Bushmen do. They hunt and fish and build habitations of boughs not much better than the gorilla's. Arrowheads and spearheads they make by roughly chipping flints. They weave mats of shredded bark and rude baskets of osiers and reeds.

They are widely dispersed, some of them in far northern parts of Asia and of Europe. With subtropical animals they made their way there, we guess, in the mild weather of interglacial time. Now the ice of a new glaciation creeping southward overtakes them. They retreat before it. Multitudes of them perish. Only the hardy and the resourceful survive. In the great caverns of Southern Europe they find shelter. There through thousands of years they dwell, learning to flake by pressure the flints that before they chipped. They make axes and hammers of stone, awls and needles of bone. They clothe themselves with skins. They carve ivory. They learn to draw and to paint and cover the walls of their caves with

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

realistic (and beautiful) pictures of the cave bear, the sabre-toothed tiger and the mastodon which they dread, and of the reindeer on which they subsist. These are the greatest of the paleolithic people, the remarkable men of the Old Stone Age.

Elsewhere, in Northern Africa and in Southwestern Asia, paleolithic men become neolithic. They grind and polish their stone implements. Experimenting with clay they fashion pottery on which they work geometrical designs, possibly symbolic, by incising lines into which they rub gypsum. Generations pass. By hand labor they till patches of ground in which they have planted seeds or roots. They cut trees into logs and fashion logs into posts, piles, beams and boards. They build houses to dwell in, and platforms, supported by posts driven into the ground or by piles driven in water, on which they enact ceremonies and afterwards build houses. They make canoes and boats. Again generations pass. On the grass-lands of Africa and Arabia, of Western Asia and Eastern Europe, we see restless groups of kinsmen caring for herds of goats and sheep and for larger herds of cattle. In the oases of Africa and of Arabia and of Central Asia east of the Caspian Sea we see villages built of various materials, wood and stone and sun-baked clay. We see shelters for cattle, ditches and moats filled with water, cisterns of water and wells, storehouses of grain, fires carefully kept alive, altars and secret places where ceremonies are observed.

More generations come and go. Throughout Northern Africa, throughout Central and Southern Asia, throughout Central and Southern Europe, men are living in villages and in little towns. These are strung like beads along the Euphrates and the Nile. Against druidic backgrounds of ancient oaks and pines they hide in quiet valleys among the foot-hills of mountain ranges. With their backs to walls of rock they defy the storms of wind-swept uplands. On platforms supported by piles, they are built above the waters of Swiss and Italian lakes; or, on dry land, with moats around them—*terramare*—they strangely imitate the lake constructions. In all of these various situations the inhabitants keep pigs and goats and cattle, and raise crops. A division of status and of work is seen. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

people of a community are no longer in every instance of one kindred. Often the "place" is in fact not one village but two adjacent villages. In the superior one live kinsmen, who possess and rule the land round about. In the lowlier one live "aliens", a miscellaneous assemblage of "kin wrecked" folk, ruined by war or driven forth as offenders from the clans of their birth. They have been taken in. They are harbored and defended and allotted land to use on condition that they render prescribed services. These are the "village communities" that economic historians used to picture as "free", idyllic, communistic democracies!

Near every settlement is a burial place, a "long barrow" or a "round barrow" of earth, or, now and then, a hollow cairn built of stones, perhaps in imitation of the caves where paleolithic dead were laid: two unhewn shafts supporting a heavy lintel above are the portal. Here and there also, at intervals from the Persian Gulf to Southwestern England, are more impressive megalithic monuments: avenues of giant shafts or great circular enclosures like Stonehenge. Presumably they have to do with festival processions and athletic events.[1]

With one more scene the film of prehistory ends. In mountain gulches men dig copper, and elsewhere tin. A glare against the sky by night betrays the places where they mix and smelt them, in rude crucibles of clay. They are making—bronze!

The human species now has overspread the earth, and racial varieties of it, both major and minor, are identified with broad geographical habitats. An Australian-African major division is black, kinky-haired, prognathic and usually dolichocephalic. An Asian-American major division is yellow in Asia and copper-hued in America, straight-haired and usually brachycephalic. A European-Polynesian major division is white in Europe and in Northern Asia, including Northern Japan, and brown in Northern Africa, in Southern Asia and in the South Pacific islands; it is usually wavy-haired and orthognathic, but

[1] Breasted, Ancient Times, p. 28.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in scull shape it is anything possible, dolichocephalic, mesocephalic or brachycephalic.

The European whites, who by early differentiation (in Europe or elsewhere) were of three varieties, namely, dolichocephalic Mediterraneans, dolichocephalic Baltics[1] and brachycephalic Caspians (a relatively late arrival), are now of four varieties, by reason of the crossbreeding of Caspians with Mediterraneans south of the Alpine ranges and with Baltics north of them. The Mediterraneans, not tall but well built, are brunette, with black hair and dark eyes. The Baltics, tall and angular, are blond, with light hair and blue eyes. The Alpines, a Caspian-Mediterranean hybrid, are brachycephalic, thick set and in coloring variable, but usually lighter than Mediterraneans. The Danubeans, a Caspian-Baltic hybrid, are brachycephalic, tall and powerfully built, prevailingly ruddy, with red beards and hair and gray eyes.[2]

The prevailing languages of the white peoples have become inflectional. An Aryan tongue is spoken throughout the Asian-European grass-lands. Among all peoples there are reactions of excitement, including terrified avoidances or fearsome contacts, toward innumerable natural objects, in particular, springs, pools, rivers, cliffs, trees, reptiles and birds, and, in the grass-lands, bulls.

After prehistory, history; intense, tumultuous, short, its millenniums, compared to prehistory's eons, are a dynamic instant of time. Yet (such is the relativity of things) the perspective of history is atmospheric, if we keep our distance.

[1] The name "Nordic", now in fashion, should be given to the entire northern blond half of the brown-white orthognathic race, whether found in Europe, in Siberia or in Japan. The Baltics are a sufficiently distinctive (and distinguished) variety to have a name of their own.

[2] The confusion of Danubeans with Alpines in current anthropological literature is peculiarly annoying to the historian. The Romans discriminated. Caesar's Aquitani were Mediterraneans, his Celts were Alpines, his Belgae were Danubeans, his Germans were Baltics. The fair-haired Achaeans of Homer and the Hellenes generally were Danubeans. The Picts of the British islands were Mediterraneans, the Goidelic Celts were Alpines, and the Brythonic Celts were Danubeans, whose dialects now, by one of the curious paradoxes of history, are spoken by brunette Welsh, Cornishmen and Bretons.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Its scenes are geographically spacious, if the eye sweeps boldly. So we must view them now, inattentive to detail.

At the delta of the Nile and far up its course, at the head of the Persian Gulf and far up the Euphrates River, dense populations are distributed. There is no longer pretense that any one of these is a close-knit kindred. Aliens commingle with the native born, and many languages are heard. Agriculture is systematically followed. Industries are differentiated and specialized. Artisans of amazing skill make useful things of bronze, perfect of their kind, and fashion silver and gold and precious stones in patterns of beauty. Engineers build dams and reservoirs and a network of canals, to control and distribute the overflow of the rivers. Architects of commanding genius build palaces for the great, temples for the gods and the multitudes, and tombs for the venerated dead. Boats ply up and down the rivers. Where were towns there now are cities, turbulent with human life. Merchants import and export goods by caravans that cross deserts to foreign parts. Slaves breed in hovels, toil in quarries and in brick yards, and die. Scribes write down dates and taxes, and keep the record of dynasties. These urbanized peoples of the river valleys of the Southeastern Mediterranean area are creating civilization. Colonists, exiles and merchants will bear it to the farthest East; merchants and armies to the frontiers of the West.

On the island of Crete, Knossos, already old, unfortified but defiant, commands the Aegean Sea. Beneath it lie strata of debris, as priceless as pearls, left there by neolithic makers of hand-burnished pottery and by "early", "middle" and "late" Minoans. Round about it are lesser towns, but rich and powerful, which it controls. On the Aegean islands are its countless petty ports, and on the coasts of Greece its colonies: Tiryns on the Gulf of Argos, and Mycenae, marvelous for wealth and splendor, at the mountain pass as the trail runs from Tiryns to Corinth. The fabulous wealth of this maritime power, its treasures of bronze and gold, have been paid for by a distinctive and highly perfected art and by trade with Egypt and Asia and the coasts of Western Africa and of Europe. Its ships of commerce are safeguarded as they tra-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

verse the sea, and at every port, by ships of war—the first sea power.[1] Against this unique resplendent civilization of the Mid-East Mediterranean area the armies of Egypt and of Asia do not aggress.

Between the Black Sea and the Mediterranean, between the Taurus mountains and the Caucasus, between the Zagros mountains and the Caspian Sea, stretch the table lands of Cappadocia and Armenia, of Media and Elam, eastward to Persia and beyond. The armies of Egypt and of the Tigris-Euphrates basin invade them, following caravan routes, up water courses, through cañons and mountain passes. Overflowing from Elam and Media and presently from Persia, an Aryan stock repels them and swiftly extends its empire. In Cappadocia and throughout Eastern Asia Minor, a non-Aryan stock, the origins of which we do not see, appears as a military power. The Persian conquers the Euphratric, and the Hittite conquers a part of the Egyptian imperial domain. Each creates a civilization, in part derivative, in part original and distinctive. These civilizations of the West-Asian Uplands are stark and lean, but outreaching. Persia drives an Aryan influence into Northwestern India. The Hittite power transmits Sumerian and Semitic achievement to the Aryans of the West.

Enclosing the Aegean and Adriatic Seas three peninsulas thrust into the northern waters of the Mediterranean: Asia Minor in its western extension, Peloponnesian and Central Greece, and Italy. Northeast, north, and northwest of them are the mystery-haunted lands of the Aryan dispersion. Mountains and rugged hills hide lonely valleys or guard alluvial plains, open to the sea. On the lower slopes are olive trees and grapes, and above them chestnut trees and oaks. The coasts are irregular. Gulfs and deep bays cut into them, but also there are long straight reaches where no harbor can be found, and dangerous by reason of conflicting tides. Between Greece and Asia Minor Aegean islands can be seen off shore. The sea, impressionistically (since Agamemnon), is

[1] Egypt may first have navigated the Eastern Mediterranean, though strict proof is lacking; but the argument that Egypt was ever a naval power is not yet convincing.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

purple. On hills and plains the sun at noon is white, but evening and morning lights are violet. Beauty has taken these parts for her own. And hardy men, unafraid of loneliness or of the sea, sensitive to beauty and loving freedom; shepherds, herdsmen and plowmen, fisher folk and sailors; and presently artizans and merchants have taken them for their own. By comparison with the peoples of the River Valleys they are a sparse population and poor. Their cities, except possibly Troy, the oldest of them, which in its day has rivaled Mycenae, are less splendid, and their buildings are less majestic than those of Thebes and Babylon, but are infinitely more appealing to intelligence. Their statues and their paintings, for the first time in human achievement, attain truth through freedom restrained only by mastery of modeling and line. Racially they are a mixture of primitive Mediterraneans, Danubean invaders and Alpines, but slavery has limited hybridizing, and (it appears) more strictly in democratic Athens than in aristocratic Sparta.[1] Their armies are small and local but valorous. The Athenian navy is a formidable arm. The East fails to invade European Greece; Carthage invades Italy but is expelled. These are visible features (we are not heeding now the processes) of the Peninsular Civilization of the North Mediterranean area. Athens tries to make it imperial but is unsuccessful. Macedon succeeds, but her Empire is short-lived. Rome builds an Empire geographically coextensive with Europe south of the Rhine and the Danube, with Northeastern Africa and with Asia Minor. In more than a figurative sense it is "built". Excellent roads provide a means of internal mobilization and communication never before equaled. The possibilities of the arch are developed in bridge building and in the construction

[1] Greek democracy was *intra-* not *inter-*ethnic, and the argument of the indiscriminatists that panmixia in Athens begot the most brilliant race of men in history suffers from the militating circumstance that the premise is not true. LaRue Van Hook has shown in *The Classical Journal*, May, 1919, that Athenian democracy was more than the internal equality (and clique warfare) of a social "four hundred"; nevertheless, Galton's guess that Greek genius was a product of early and prolonged inbreeding by aristocratic clans is probably the best one ever made. In Sparta, by all accounts, there was panmixia, the details of which may be left to feminist literature.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of aqueducts, by which for the first time town dwellers are supplied with an abundance of pure water. This Empire endures nearly half a millennium.

Rome and the Romanized populations of her provinces, a partly hybridized commingling of Mediterraneans, Danubeans and Alpines, are overrun by European Nordics, principally Baltics. Most of them are inlanders of the forests. They build boldly of timber but not of stone, and know nothing of engineering or of the finer arts. As invaders they burn and raze. Establishing themselves in overlordship, they roughly reorganize an existing serfdom, extending it and increasing the severity of obligatory services. Taught and aided by artisans of the old order, now under duress and robbed of all but traditions and skill, they build strongholds and presently castles of stone, from which they wage wars of pillage upon one another. Converted to Romanized Christianity, they build monastic houses and churches. About churches and castles villages of craftsmen and laborers grow up, but merchants are few, and imported goods all but unknown: orderly trade has been destroyed. Almost the only contacts with the East are through missionaries from Rome and pilgrims to Jerusalem. Nevertheless, in ecclesiastical establishments and in guilds of artisans reminiscences of Latin civilization survive and presently ameliorate somewhat the struggle for existence and the manners of the time. So arises an isolated civilization of Inland Western Europe, a grotesque reaction of barbarism to the Mediterranean heritage. For centuries it is politically incoherent and intellectually barren until, alarmed by Saracen intrusion, it rallies about Charles Martel and the way is opened for Charlemagne. Horizons now are widened. The Mediterranean resurges upon the Baltic, and when, at length, the daring of the North and the intelligence of the South are mingled, their product is the matchless beauty, the wonder and the glory of Gothic art.

Looking back for a moment upon the migrations from which this unique civilization dates, we note that not literally all of the participants are inlanders. A fringe of them, dwelling upon dismal northwestern coasts, fog-hidden and forbidding, are fisherman and sailors. They can fashion keels as well as

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rafters. They, too, feel the *wanderlust*, but from Denmark they turn their faces west. The tempestuous North Sea calls them. They voyage to Iceland and the British coasts. They conquer Britain and possess it. Kindred Norsemen voyage to the coasts of Gaul, there to become Normans and in their turn to conquer an incompletely Anglicized Britain. In the Mediterranean, also, sea-faring traditions persist, and in the ports of Italy, of Southern France and of Spain the race of sailor men is not extinct. Communication between East and West is slowly reestablished. The knowledge of geography, of mathematics and of navigation, that Egyptians, Cretans, Greeks and Romans possessed, is recovered, and is disseminated among seafarers of the West. Trade with the East is unsettled, its ways are changing and its possibilities are multiplying. Christian crusaders take Jerusalem from the Infidel but are unable to hold it, and fail to break through to the East. An ocean way may be found. Voyages become longer and more daring. Canaries and Azores are left behind. The Cape of Good Hope is rounded. Dutch and English, French, Portuguese and Spaniards become maritime peoples and discoverers. The Atlantic Ocean is crossed by an Italian backed by Spanish royal power and money. The Pacific Ocean is discovered from the West. The earth is circumnavigated. Europe explores and colonizes a Western Hemisphere. Ocean-Fronting Nations, delimiting their boundaries and organizing themselves politically, create by ocean-borne commerce a civilization of the world.

In the play of History the *dramatis personae* are not only individuals; they are also groups of individuals and multitudes. These act as units, and as characters they have moral and intellectual unity. Yet always they are groups and multitudes.

Again, more often than not a scene in history is repeated in various places and with variations before the next scene in dramatic order is enacted; and always an entire act is repeated. Act two (mediaeval history) is a repetition of act one (ancient history), with variations. Act three (modern history) is a repetition of act two, again with variations. This is the basis of fact for the saying that "history repeats itself".

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

At Memphis a company of priests marches solemnly in processional. They proclaim themselves Masters of Mysteries and Men of Vision. They have been instructed in the wisdom of the past; they foresee the future. They know what signs presage abundance and famine, what conduct of man pollutes and what cleanses the sources and streams of life. Now they warn the people of impending peril. Boatmen from the south, confirming rumors that for months have passed from lip to lip, have reported abominations. Dwellers up the river, corrupted by too much contact with heathens beyond the Cataracts, have adopted strange rites, not to be described. They have defiled sacred places and killed sacred animals. Warnings have multiplied. Thousands of ibexes have died. Dead crocodiles float by. The river itself has an unusual and sinister look; many persons have observed it. Already, perhaps, the Valley, and the Delta too, lie under a curse. Pestilences and more dreadful plagues may stalk the streets tomorrow.

The people clamor for action. The King has had dreams and is impressed. Soldiers are assembled and mobilized. A defensive-offensive expedition sets forth. The land must be purified.

Skirmishes become battles and battles wars, which recur.

The curtain falls on United Egypt; but the priests are not as happy as they were. The army has become arrogant. The people never tire of cheering it, and sometimes the King defers to it, instead of to the priests.[1]

A later scene, perhaps a variant of this one, or it may be a second, is set in Sumer.

Caravans from the Crescent bring disquieting tidings. Successive droughts have parched the oases and dried wells never before known to fail. Even in the wadys of the West-Arabian mountains crops have failed, and cattle by thousands have died. Tribes of Semites, apparently migrating, have been seen moving eastward, a fierce and uncouth rabble. Companies of

[1] The certified records on which I should have been glad to base my reconstruction of this scene have unfortunately not been found! Nevertheless, historical friends will grant, I hope, that my imagination has not run quite wild in the suggested explanation of rudimentary political integration and the beginnings of class struggle.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

armed strangers, a vanguard perhaps, have been in the Plain of Shinar but have disappeared. They were thought to be from the desert. The older camel men, however, recall that Semitic nomads have been herding in Mesopotamia time out of mind, "always", some say, but others deny this, asserting that all Semites were oases men once, or, more likely, wady men. Either way, they have been rovers apart in petty groups, and beyond stealing cattle or looting a village now and then, harmless enough. Yet nobody knows how many of them could come together in a round-up, or what might happen if the devil got into them.

It happens. That pillar of dust on the western sky was not caravan dirt this time; but the warning was too short. Wave upon wave, countless, tumultuous, the Semites come, spearmen and swordsmen, frenzied as charging cattle, and as resistless. Ur is theirs. Eridu falls before them. Nippur will be theirs, and Babylon.

Now let us drop the figure of the play and more simply summarize action, from this point on.

Two tremendous movements surge upon each other while sweeping onward together. One is the *group struggle* for dominion and subsistence. The other is the *class struggle* for ascendancy and revenue. These two movements begin with history. They are the action of history.

Climatic crises,[1] exhaustion of resources, diminishing returns and other circumstantial pressures cause migrations, in which populations clash. The issue is life or death. Groups confederate for defense; by conquest they are consolidated. They are compounded and recompounded. They integrate and are integrated.

Military leaders, selected and developed by war, become powerful politicians if war continues or often recurs, and army officers become a class, as "class conscious" as the priesthood. They contest the ascendancy of the priests. The struggle is long and bitter. The priesthood is jealous and alarmed. The

[1] Most fateful of all, short of a far-extending glaciation, has been "the pulse of Asia", an alternating irrigation and dessication of regions east of the Caspian Sea, as the snow-fall on the mountain systems is rythmically heavy and light; See Huntington, The Pulse of Asia.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

army is envious and aggressive. The army has booty and land to divide, but it wants to be assured of supernatural sanction. Above all, being new, it wants to become respectable. The priesthood has traditions and form. It can make things right with unseen powers, or wrong. It can confer respectability, or withhold it.

The possibilities of the situation are not obscure, and when priests and soldiers both grow weary of strife, an understanding is arrived at which royalty, properly instructed, consents to and decrees. Distinguished priests are "let in" on the ground floor of the New Privilege. They receive lands and revenues. Distinguished soldiers are vouched for as divinely guided, and get invitations thenceforth to convocations. So (historically) are begotten "lords temporal" and "lords spiritual", and both kinds are landlords!

Old groups of land-owning kinsmen, and individual land owners, if they are fortunate, become free tenants. An increasing number of these, if the times favor, become merchants. Old communities of dependents continue to be serfs. Artisans, if fortunate, become free tenants and enjoy guild privileges. If merchants prosper, they become class conscious (as the soldiers did), and intimations of a new class struggle—between merchants and landlords—appear.

From the morning of history in Egypt and Sumer until Justinian's reign, group integration is almost continuous, and the class struggle is taken up by successive classes. In the Mediterranean Island area, as in the river valleys of the Southeastern area, in the West-Asian uplands and in the North Mediterranean peninsulas chieftaincies become kingdoms, and kingdoms empires. Priests yield to soldiers. Priests and military adventurers, inventing the "gentlemen's agreement", become landlords. Landlords lay field to field, but the merchants, amassing wealth, prepare to contest ascendancy.

Then there is a break. The empire collapses. Act one of a drama has closed. Ancient history ends, and medieval history begins. The cycle of group and class struggle starts anew.

A new religion has arisen and a new priesthood. From the death of Constantine in 337 its divine authority is conceded.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

At the birth of Charlemagne in 742 its social ascendancy is complete and unquestioned. But the northward thrust of the Moors and their repulsion has set going changes that will compel it to fight for its prestige. A new militarism grows prodigiously under Charlemagne and his successors. Unwittingly the Church abets it by demanding that the Holy Land be "purified" from Islam. Crusading barons become more powerful than titular princes, and their followers become armies. They make their own terms with bishops. The Holy Roman Empire and the Bishops of Rome both assert "sovereignty", but in the end the inevitable bargain is struck. A new and overpowering landlordism is created. Bishops and barons become "peers".

The ablest of them, William of Normandy, with the intellectual and ecclesiastical aid of Lanfranc (whom William, after quarreling with for opposing the ducal marriage to Matilda, has made Archbishop of Canterbury), creates out of English chaos the first politically sovereign western nation, by reorganizing the relations between feudal society and monarchy and putting monarchy indisputably on top. Under his incompetent successors the barons get on top and resolve society into anarchy. Henry II, instituting scutage and the assize of arms and thereby making royal revenues and the army semi-independent of baronial favor, and subordinating ecclesiastical to civil courts, lifts monarchy from personal rule to trusteeship for a nation. So begins a struggle as sharp and distinctive as any struggle between group and group or between class and class; a struggle, namely, between an integral group—the nation—and whatever class is ascendant. The first clash is disastrous, for again the barons get on top, and society disintegrates. Group and class struggles revert to beginnings, and medieval history ends.

Mediterranean Christianity came to birth among humble folk inclined to communism, and was adopted by the great when they saw its stupendous possibilities as an agency of social control. The more carefully the origins of Northwestern Christianity, otherwise Protestantism, are studied, the more nearly certain it appears that these are not so much a vision or

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a hope of the miserable, whether docile or rebellious, as an assertion of personal independence by men self-reliant and self-respecting, although poor. Therefore, while in substance of theology this religion of the individual conscience is not new, and as rebellion against authority is schism, as reaction to life it is a new faith, engendered by new actualities of the struggle for existence. That fourteenth-century "Poor Richard", William Langland, the persistent Wyclif and the fiery Huss are all, in their different ways, true exponents of its spirit. And this is why, notwithstanding the doings at Constance and at Basle, its ministry does not become a priesthood.

Nevertheless, with this spirit, with this new faith and its ministry, modern history begins—in the fourteenth century. The group and the class struggles of ancient and of medieval history are recapitulated, but, as always, with variations. A new militarism, developed by the Hundred Years War, uses gunpowder. A new landlordism is sustained by money rents instead of by feudal services, and this time the part played by religion in the class struggle is new. The Protestant ministry is not yet socially ascendant, and not strong enough to exact privileges. Moreover, it has been recruited chiefly from commoners and the lesser gentry, and its individualism is "middle-class". Therefore it allies itself with the merchants and becomes a factor in the incipient class struggle between them and the landlords. The major alliance, accordingly, is between landlordism and the older ecclesiasticism, and the major intra-group struggle is between this combination and the nationalistic monarchy. It ends (except for brief recrudescence under Mary and again under the Stuarts) in the firm establishment of nationalism and the ascendancy of Protestantism under Henry VIII.

Now, at last, class struggle between merchants and landlords assumes full proportions and (without violence, however) intensity. Voyages of discovery open new and unprecedented opportunities, and merchant adventurers become men of power. But, like the soldiery of earlier times, they crave and demand full social recognition. They can make terms, and the bargain is struck. Great merchants are admitted to the peerage, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by marriage (and otherwise) peers in need of revenue acquire wealth. A capitalist class is created.

So modern history arrives at noon. Capitalism exploits invention and revolutionizes industry. A wage-earning proletariat, descended from emancipated serfs, becomes in its turn "class conscious", and Karl Marx makes the epochal discovery that class struggle impends—in history!

The creative efforts of history are concentrated upon one comprehensive achievement, which is, attainment of a preferred way of living. The means of attainment are culture and a social order. Culture includes taste, a standard of living, knowledge and skill. A social order is a system of pluralistic habits, relationships and policies. Prehistory gropes, perceives, tries, learns and with infinite patience practices. It creates the elements of culture and primitive social systems. History scrutinizes, criticizes, rejects, selects, conserves, changes, adds, combines, reforms, revolutionizes and reconstructs.[1]

The history of culture, no less than the history of action, is a story of strife. The New has fought with the Old for its life. Instinct, habit, taste, sentiment and vested interests have rallied about the Old. Experimental drive, cleanliness, convenience, comfort, health, enterprise, prosperity have been identified with the New.

The Old has not been content to conserve its own: it has tried to strangle the New at birth. Therefore, the conflict between the two has been a war for the right of achievement to survive; to live on as the Old, to be born and to carry on as the New. Civilization exists because neither the Old nor the New has been able to do its instinctive or its premeditated worst against the other.

More than those things that constitute heritage (of which mention was made) has been at stake. Heredity has been at stake. The intellectualized variety of man (irrespective of

[1] The study of history as achievement (history as scenario, play and story being presupposed) is the study of the History of Civilization, a specialist's task, demanding among other qualifications a sociologist's knowledge of social systems.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

race) has been subjected to an artificial selection as fateful as natural selection. Where innovation is not permitted, experimental intellect cannot leave posterity.

Our knowledge of the origin, structure and functioning, and of the transformation of social systems, is largely a scientific induction.

There are surviving examples of social systems that never have produced and that will not leave a written history. They have been much observed, fortunately, by ethnologists; and possibly they may so far be neglected by powerful peoples bent on cleaning up dirty neighbors that they can be studied a generation or so longer. Social systems now extinct were observed and described in antiquity, not, indeed, with scientific precision, but often shrewdly and with approximate accuracy. The social systems of prehistoric men we imperfectly reconstruct from archaeological and philological fragments, supplemented by folk ways and folk lore that survived into historical days. This evidence, as far as it goes, is often worth more than chronicles, since it is without bias, and came into existence without conscious intent to impress posterity. All of these systems, extinct and surviving, that did not and do not leave written annals, we describe collectively as primitive social systems.

By comparison with the highly complex social systems that we know today primitive social systems are almost incredibly simple; but some of them are less simple than others. There is a succession of types, each of which is associated with a characteristic situation or habitat.

First in time and simplest in structure is a social system of the forest habitat and the bush. In its rudimentary form it is a small horde or camp or a cluster of neighboring and more or less communicating hordes, in none of which more than twenty to fifty individuals, men, women and children, can be counted. This group knows nothing of blood relationships, or it ignores them; it coheres by instinct and habit.

Within it, however, arise ideas of mysterious influences and relationships. Various things and kinds of things are believed to have an uncanny power to harm or to benefit. "It", for so

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

more often than not the mysterious power is referred to, can cause good or bad luck; it can pollute; it can cause sickness, and it can kill, or it can cleanse and heal; it is contagious, passing from object to object or from person to person by contact. It is "mana" or "virtue"; it is demoniac power. Whatever holds or imparts purifying and healing mana is sacred; whatever holds or imparts defiling and evil mana is accursed. There are ways of banning evil mana and of conserving good mana. These rituals, as much as habits of camping and wandering together, are group ways; they are modes of pluralistic behavior in distinction from individual behavior. In each group they are more or less peculiar. They are, therefore, a collective interest and bond supplementing mere animal gregariousness, including its reactions to cries and calls. They are a distinctly human interest and bond.

Out of these ideas and practices totemism emerges, and presently appear more complicated relationships identified with it. These get mixed up with natural relationships, which thereby become distorted and conventionalized. There results a social system of inclusions and exclusions based on a recognition of descent in one line only. A matrilineal and matronymic system is in general more primitive than a patrilineal and patronymic system. How far the cavern people of the Reindeer Age had advanced in these matters we do not know.

The social system of the grass-lands has become or is becoming patrilineal; but it carries along many survivals of totemism and of matrilineal relationship.[1] Ideas of ghosts and ghost worship have appeared, and out of them ancestor worship develops. Paternal power and authority have superseded the authority that maternal uncles exercised in matrilineal society, and the family group, cohering for more than one generation, often becomes a patriarchal kindred. Whether this happens or not, the patrilineal system has the great advantage that the fighting men of any considerable aggregation are of one conventional kindred, instead of being, as in matrilineal society, of as many different conventional kindreds as they have totemic or clan mothers.

[1] Robertson Smith, Kinship and Marriage in Early Arabia.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

On the grass-lands appears also in the course of time a new social system as distinctive as systems based on conventionalized kinship are; or as the earliest ritualistic system was by comparison with an animal herd. It is based on an understanding between a luckless individual needing protection and a man powerful enough to protect him. In primitive society men get "kin wrecked" in many ways. Because of their own misdeeds they are banished from clan or village, or the groups in which they were born are plundered and broken in war. Other men, a smaller number, become powerful as successful leaders in war or when, in recognition of one or another service to the group, they are permitted to possess an exceptionally large share of booty or otherwise to become rich.[1] In the grass-lands ruined men take service and receive protection as cowboys under cattle owners strong and self-assertive enough to break folk-way rules and override the rights of fellow tribesmen. In the Brehon Laws of Ireland, where the grass-land life survived until comparatively late times, we have the picture of a society organized partly as a holdover tribal system and partly as allegiance and service rendered to a protecting chieftain.[2]

The social system of primitive agricultural communities is a medley and compromise of survivals rather than a new type. Kinship is cognatic so far as recognition of relationship by both mother and father goes, but is usually patronymic. A kindred may cohere as a local group and hold land as an undivided possession for four generations, and, as was mentioned on a foregoing page, it may stand in the relation of protector to a heterogeneous group of dependants. Within the kindred itself inequalities of rank and of condition exist and are recognized; among the dependents they are not permitted.[3]

Survivals of all primitive systems, namely, those based on re-

[1] The evidences brought together by Robert Lowie in Primitive Society that private property and inequalities of private property exist in primitive societies of every cultural grade and in every part of the world have disposed of a long controversy, to the lasting discomfiture of propagandist vendors of primitive communism.

[2] Henry Sumner Maine, Lectures on the Early History of Institutions.

[3] Frederic Seebohm, The Tribal System in Wales; and Hugh Seebohm, The Structure of Greek Tribal Society.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ligious solidarity and ritual, those based on a conventionalized kinship and those based on *beneficium et commendatio*, are numerous in present-day societies. The most interesting ones, perhaps, are found in such laws of nationality as the *jus sanguinis* and the *sacramentum fidelitatis*, whereby a claim to citizenship rests, in one case, on the citizenship of a parent, and, in another case, on an oath of allegiance to a sovereign.

All the social systems of civilized peoples, whether ancient or modern, are variants of a fourth general type. Indeed, in the strict etymological meaning of the word, civilization is the superseding of tribal by civil society. Within the city aliens congregate and prosper until it becomes necessary to admit them to privileges and to impose upon them such fundamental obligations as tax paying and military service. After much experimenting they are naturalized, that is to say, by a legal fiction they are made of one kindred with the older stock.[1] The basis of this system is mutuality of opportunity and of obligation.

The historical variates of this general type are familiar and need not detain us longer than is necessary to make essential discriminations and to point out their relation to group and class struggles.

Society is an aristocracy as long as opportunity, although shared, is not equalized, and control is retained by a privileged class, qualified by ability and experience to govern in the administrative sense of the word, but not by unselfishness to rule arbitrarily over fellow men. Society is a plutocracy as long as opportunity, although shared, is not equalized, and control is held by a capitalist class. Society is a kakistocracy as long as opportunity, although proclaimed to all, is not equalized in fact, and control is exercised by a dictating minority, undisciplined and ignorant, that has seized power by revolutionary violence. Society is a democracy if opportunity is equalized and control, although not equalized (a thing impossible), is shared. Democracy is communistic if property is equalized

[1] The Constitution of Athens, discovered by Dr. Budge and by him attributed to Aristotle.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and occupation is prescribed. Democracy is socialistic if property in major part is held collectively and occupation is prescribed. Democracy is individualistic if property in major part is held individually but is subject to prescribed obligations and limitations, and if occupation is freely chosen by individuals but, like property, is subject to prescribed obligations and limitations. The distinction between democracy and all other social systems is radical. In a democracy control is participated in although never equally exercised by all members of society instead of being monopolized by any group or calling, and, consequently, integral society dominates over all its component groups, constituent classes, callings, factions, parties and miscellaneous minorities.

Without specialized callings and segregations, differentially functioning, society is primitive and negligible; it can achieve nothing; and yet from the moment that differentiation of a population into variously functioning callings or segregations begins, class struggle rages. A dominant minority or majority rules as nearly absolutely as it can. Revolution overthrows it, destroying in its leveling violence so much of the functioning social organization that prosperity cannot return, or achievement proceed, until differentially functioning fractions, specialized and unequal, are recreated. Democracy is an attempt to equilibrate energies in a less costly way. Communistic and socialistic democracies err by equalizing too much and restraining too much. Anarchistic individualism errs by permitting excessive inequalities and restraining too little. Between these extremes are possibilities of a more delicate equilibration in a Socialized Individualism acting through unstable majorities subject at every instant to possible disintegration and reformation.

It is time to get back to theory. I promised to intimate and perhaps gently to argue an interpretative hypothesis or, if the phrase is not presumptuous, a scientific explanation of history. If any reader has followed me so far, he has already received and apprehended the intimation. My argument will be a generalization (without contention) from the materials that have been exhibited.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Here let me anticipate and answer a question. Are these materials *history?* No and yes. Quantitatively they are infinitesimal, but qualitatively they are bits picked out of history by a scientific test, namely, significance. They have indicative quality and therefore scientific value. They are *signatures* of history.

More and more our inductive science accumulates priceless knowledge of things (and events) in themselves inaccessible by examining their marks or signatures. The astronomer knows the chemical composition of suns unimaginably distant because they have made their "mark" in lines of the spectrum. No physicist has seen an atom, but every physicist reads in atomic signatures that it is composed of positive and negative electrons, and that the electrical charge of a positive electron is numerically equal to the electrical charge of a negative electron, although its mass is nearly two thousand times greater while its diameter is only one two thousandths as great.[1] The materials from which I am generalizing now are finger-prints of history on the smoked glass of time.

The geographical theory of history is true, as far as it goes. Civilization arose in regions that could sustain and energize dense populations. It has never made headway except in regions that could sustain and energize urban populations. Throughout the first nine-tenths or more of total historical time the action of history was confined to the Mediterranean Basin. That basin is made up of characteristic areas. In each a distinctive civilization arose. In each the action and the achievements of history have been distinctive. So long, however, as physical environment has remained static nothing has happened. Only when environmental change has created a circumstantial pressure of calamities, hardships, contacts, conflicts and rivalries, has there been collective human action and with it integrations, differentiations, cultural progress and social evolution.

The biological theory of history is true, as far as it goes. The historical peoples have been stocks capable of persistent

[1] MacMillan, *Science*, July 23, 1920.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

multiplication and at the same time of variation and longevity. In other words, they have been dynamic stocks. In a struggle for existence that has been terrible and remorseless they have held their own by vitality and by adaptability. Also, to an extent not adequately apprehended, they have been, unconsciously, eugenic breeders. By taboos and conventions, by pride and arrogance born of success, and by the social exclusiveness of dominant classes, they have restricted hybridization and effectually prevented that miscellaneous and general amalgamation which the biologists call panmixia. Natural selection, therefore, has had not only individuals but also relatively pure stirps to work on, with the inevitable consequence that, through an elimination of biologically inferior stirps *as such*, energy, character and intelligence have been conserved for generations. Whether a subsequent indiscriminateness has now and then caused national decline, is a question more difficult to answer. The one certainty is that, irrespective of theories, the instinct of persistently vigorous peoples has been against it, as it is now in England, Canada, Australia and the United States.

True also, as far as it goes, is a psychological theory of history that has never yet been well formulated. It is not well described as a theory of collective self-determination, although that phrase is not wholly inaccurate. The historical peoples have been capable of imagination and of persistent exaltation. They have seen visions and dreamed dreams. They have been aroused by enthusiasms. Much that they have seen has been hallucination, and often their enthusiasm has gotten out of hand, but among their visions have been discoveries and inventions, and among their exaltations have been heroic devotions. Supreme among these, as a factor in human achievement, has been the devotion of a few peoples, of whom the Greeks were first in time and in degree, to an intellectualized civilization.

An anthropological theory of history that of late has been a factor in world politics has most mischievously confounded biological, psychological and cultural facts. Baltic stocks have displayed conquering energy and dominating will, but their culture has been derivative. Wherever they have gone they

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

have mingled with populations of predominantly Mediterranean characteristics and have assimilated a Mediterranean culture. It is preposterous to argue that the predominant part which composite populations so originating have played in history should or can be accounted for by hybridizing or by Baltic culture or by Baltic domination. It can be accounted for only as an exploitation of Mediterranean culture by Baltic energy civilized by the Mediterranean culture. Achievement is the historic work of races capable of ascendancy through culture.

A sociological theory of history might be formulated but has not been. The historical peoples most distinguished for achievement have somehow been able more successfully than others to balance integral against partial interests, and individualism against collectivism.

All of these theories of history are true, as far as they go, *but not one of them accounts for history!* One and all they account for conditions that have shaped history, or, at best, have made it possible. Not one of them tells us why it has been actual.

For, when all is said, history is human behavior. It is a stream of behavior, rising obscurely in time, making for itself a devious channel, fed by countless tributaries of collective action, and broadly flowing now into the mist that hides an unexplored hereafter.

In part the historic behavior of men moving on together by thousands and by millions has been blindly instinctive. In part it has been a conscious but errant experimentation. Also in part (and increasingly) it has been an attempted and often a successful carrying-out of premeditated policies. These have been made by no one man, and for this reason, rather than for any "deterministic" reason, the great-man theory of history breaks down. They have arisen as visions in the minds of the men of vision and have then been taken over, with or without acknowledgment, by men of action. To convert them into collective behavior the men of action have "interested" and enlisted effective members of groups, classes, factions, parties, minorities and majorities, promising them substantial advantages. The combination has been a dynamic plurum: a "gang",

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"ring", or "junto" bent on "going somewhere" or "doing something". Inasmuch as it has accomplished, first and last, infinitely more good than evil, let us give it a dignified and suitable name. It has been a Composite Protagonist. To an appreciable extent it has "made" history, proceeding deliberately, and by every art of persuasion, temptation, bullying and coercion known to man. It has started wars and class struggles. It has been self-renewing until supplanted by a rival, destroyed by failure, subjected by conquest or deposed by revolution.

As participants in the behavior that is history the instinctive multitudes, the errant experimenters, the clear-eyed and far-seeing protagonists of premeditated policies have had in common one trait besides their elemental human nature; or has it veritably been their human nature itself? Either way, they have been of one inclusive kind. *All have been adventurers.* All have felt an urge and responded to it. They have dared and gone forth. They have listened to pipings and followed lures. They have dug for pots of gold; climbed purple mountains. They have fared on pilgrimages "to meet with joy" in any "sweet Jerusalem". They have trekked and voyaged; have fought, and plundered and avenged. They have fashioned empires and dismembered them. With infinite toil they have created social order, and in drunken deviltry have destroyed it. They have read the stars and rent the atom.

History, then, is adventure, *and the urge to adventure is the cause of history.* This proposition is the kernel of my theory.

Enfolding and sustaining it is the coefficient truth that some men, the *daimones* of our race, react to the urge promptly, abundantly, persistently, effectively, and in doing so pour or radiate a secondary or converted urge upon more sluggish men until they too react effectively. Paradoxically and amusingly this one specific affirmation of inequality among men is not denied by egalitarians. The wildest social lunatic has never imagined, or liar for a holy cause averred, that *as adventurers* men are equal. On the contrary, each is more sure than of anything else in life, that he at least, is an adventurer of parts, destined at some time to lead a multitude of small adventurers —somewhere!

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In sum, and to be severely scientific (as scientific as Mr. Adams is) equilibration of the urge to adventure and of reaction to it is the historically behavioristic mode of the degradation of energy.

As far as I can see there is one sufficient reason for being so accurate, and abbreviate. It is the short way to get back to history as reality, concrete and alive. As reality history is theme and story. The theme is actuality, the story what we make it. Scholarship—a kind of morality—has corrected our story of history in point of veracity, and (so all things work together for good to such as love truth) amazingly enriched it. Science has discovered and revealed actuality. Unspoiled by knowledge and unharmed by understanding, actuality is what it was to Odysseus and to Columbus; story is what it was to Herodotus and to Froissart. As actuality history has been and is, Adventure; as story it was and is, and to the end of time will be, the Great Romance.[1]

[1] This article was in type before the publication of Mr. Wells's "research magnificent," The Outline of History, to which, therefore, no reference could be made.

FRANKLIN H. GIDDINGS.

COLUMBIA UNIVERSITY.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE DEVELOPMENT OF A SYSTEM OF FEDERAL GRANTS-IN-AID II[1]

Federal Aid for Vocational Education

IN 1917 Congress passed the Smith-Hughes Act, providing federal aid to the states for vocational education. This measure was the outcome of a long legislative campaign. Bills more or less similar to it had been introduced in preceding Congresses, and in 1912 one of them, the Page Bill, had passed the Senate, though it was defeated in the House. In 1914 a Commission on National Aid to Vocational Education, appointed by the President upon the recommendation of Congress, submitted a bill which was introduced in the Senate by Senator Smith of Georgia and in the House by Congressman Hughes of the same state. It was vigorously supported by the American Federation of Labor, the National Society for the Promotion of Industrial Education and by large industrial interests. It was passed by the Senate in 1916 and, with slight modification, by the House in February, 1917, and took effect on July 1, 1917.[2]

The act provides that for every dollar allotted by the federal government an additional dollar must be appropriated by the state or locality. The money thus raised must be spent only for the salaries of teachers of trade and home economics subjects, of teachers and directors of agricultural subjects, and in preparing such teachers. The state or locality must provide, maintain and equip buildings where the subjects are taught, while the federal government will permit a small portion of the funds for teacher training to be used in selecting and placing the vocational teachers. The amount appropriated for the varying purposes by years is given in the following Table:

[1] Continued from POLITICAL SCIENCE QUARTERLY, June, 1920, p. 271.

[2] Public, No. 347, 64th Congress. For an analysis and interpretation of the law, see, "What is the Smith-Hughes Bill?" Bulletin 28 of the National Society for the Promotion of Industrial Education; and Bulletin 2 of the Federal Board for Vocational Education.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE III

FEDERAL AID FOR VOCATIONAL EDUCATION

Fiscal Year Ending June 30th	Total	Agriculture	Trade, Home Economics and Industry	Teacher Training	Federal Board for Vocational Education
1917–18 . .	$1,860,000	$548,000	$566,000	$546,000	$200,000
1918–19 . .	2,512,000	784.000	796,000	732,000	200,000
1919–20 . .	3,182.000	1,024,000	1,034,000	924,000	200,000
1920–21 . .	3,836,000	1,268,000	1,278.000	1,090,000	200,000
1921–22 . .	4,329,000	1,514,000	1,525,000	1,090,000	200,000
1922–23 . .	4,823,000	1,761,000	1,772,000	1,090,000	200,000
1923–24 . .	5,318,000	2,009,000	2,019,000	1,090,000	200,000
1924–25 . .	6,380,000	2,534,000	2,556,000	1,090,000	200,000
1925–26 .	7,367,000	3,027,000	3,050,000	1,090,000	200,000
Annually thereafter.	7,367,000	3,027,000	3,050,000	1,090,000	200,000

It will be noticed that the appropriations increase annually from 1917–18, when only $1,860,000 was available, to 1925–26, when nearly $7,500,000 will be available. The amount appropriated for the administrative expenses of the Federal Board remains constant at $200,000 throughout the period. While teacher training reaches its maximum of $1,090,000 in 1920–21 and does not increase thereafter, the other two branches of work increase annually until 1925–26, when each will have approximately $3,000,000 from the federal government. Since the state or locality must duplicate every dollar of the federal appropriation, a maximum of more than $14,000,000 will be available for vocational education in 1925–26.

The types of school which can receive aid from the federal government should be carefully noted. They must be publicly controlled and supervised and designed to meet the needs of children over 14, in order to fit them for useful employment, but they must be of lower than college grade. In addition to these general requirements, it is provided that the schools shall conform to the following regulations, together with such others as the Federal Board may set up.

1. *Schools for Agricultural Subjects.* Proper methods of teaching agriculture have not yet been agreed upon by educa-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tors, and the act was purposely somewhat vague in laying down standards in this field, requiring merely that supervised practice in agriculture on a farm provided by the school or some other farm should be given for at least six months per year and that the teachers and directors should have the minimum qualifications determined by the state and approved by the Federal Board.

2. *Schools for Trade, Home Economics and Industrial Subjects.* (*a*) At least one-third of the money appropriated to any state should be devoted to part-time (continuation) schools or classes for workers between 14 and 18 years of age. These continuation schools should provide for not less than one hundred and forty-four hours of class-room instruction per year and could teach such subjects as would "enlarge the civic and vocational intelligence" of the worker. (*b*) Schools or classes instructing persons not yet entered upon employment should devote not less than one-half of their instruction to practical work "on a useful or productive basis". The total time spent for instruction should not be less than thirty hours a week for a minimum of nine months of the year. This type of trade school was really designed as a unit trade school, where the child would be taught one particular trade. (*c*) In cities and towns of less than 25,000, the unit trade-school plan for those not yet entered upon employment could be modified with the approval of the Federal Board to meet the needs of that particular locality. This was designed so that the basic principles of a number of trades could be taught in the smaller cities instead of merely one, as is the case in those cities of over 25,000. (*d*) Evening industrial schools should not admit any one under 16 years of age, and should confine their instruction to that which is "supplemental to the daily employment". (*e*) All teachers in these schools or classes should have the minimum qualifications for teachers of such subjects as are determined upon by the state and approved by the Federal Board.

3. *Schools for Teacher Training.* Since teacher training for vocational subjects was an almost wholly unexplored field, the act granted to the Federal Board the power of laying down general standards, but specified that the teacher training should

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

be given only to those who had had adequate vocational experience in the line of work which they were preparing to teach. The general principle was thereby established that competent workmen should be trained to teach their trade rather than that teachers should be given trade experience. This was undoubtedly a wise decision, and it should insure a more solid content to the vocational work than could have been obtained by the other method. Furthermore, to prevent the undue slighting of any subject, it was specified that not less than 20 per cent nor more than 60 per cent of the quota of any state for training teachers should be spent for agriculture, for the trades and industries or for home economics.

The funds appropriated among the states by Congress were not left to be distributed according to its whims or the demand for "pork", but upon the basis of population as evidenced by the last preceding census, according to the following system: Each state was granted a minimum annual appropriation of $5,000 for the salaries of teachers and directors of agricultural subjects, the salaries of teachers of home economics, trade and industrial subjects, and the maintenance of teacher training for these subjects, respectively, or $15,000 in all. The amount appropriated each year for teachers and directors of agricultural subjects was to be divided among the states in the proportion which their rural population[1] forms of the total rural population of the continental United States. The amount appropriated for the salaries of teachers of home economics, trade and industrial subjects was to be divided among the states in the proportion which their urban population[2] forms of the total urban population of the continental United States. The sum appropriated for the maintenance of teacher training for these subjects was distributed on the basis of the proportion which the total population of each state forms of the total population of the continental United States.

There was a very real opposition on the part of the advocates of the bill to placing the administration of the act under

[1] *I. e.*, living in localities of less than 2,500 population.

[2] *I. e*, living in localites of more than 2,500 population.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Bureau of Education or where control could be exercised by the "school men". The Smith-Hughes Bill consequently provided originally for an interdepartmental board of five cabinet officers,[1] as the agency to administer the act. This was wisely amended so that three independent members, who were to be appointed directly by the President, should serve with the four ex-officio members.[2] The cabinet members have been so busy with the concerns of their own departments that the actual conduct of affairs has in fact fallen largely upon the three appointees to the Board.

The Federal Board was given wide powers and was the agency created to evolve national standards and minimums of vocational education. It was given the authority to withhold allotments to any state when it believed that the federal moneys, or their state equivalents, were not being expended for the purposes of, or under the conditions laid down by, this act. A state board had the right of appeal from the decision of the Federal Board to Congress, but unless specifically upheld, the sums in question were to revert to the Treasury. In addition to its administrative powers, the Board was authorized to conduct investigations and make researches into the various phases of vocational education and its administration, and to publish its findings. Since it was provided with liberal funds for its purposes, it was made the center for research in the field as well as for the formulation of policies.

In order that the states might receive the benefits of the act, the legislatures were compelled to create state boards, consisting of not less than three members, to administer the act within the state and to cooperate with the Federal Board. The state board might be either the state board of education or a separate body. Since many legislatures were not meeting in 1917 or had closed their sessions before the act was passed, or at least before its passage was generally known, the governors of these states were authorized to accept the act temporarily and

[1] This was to consist of the Postmaster General and the Secretaries of the Interior, Agriculture, Commerce, and Labor.

[2] The Secretaries of Commerce, Agriculture, and Labor, and the Commissioner of Education.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to create boards to administer it, pending action by the state legislature in the first sixty days of its next session.

Any state could defer accepting any of the three funds provided, but after June 30, 1920, states, in order to obtain federal funds for teachers' salaries in agriculture, and trades, industries and home economics, respectively, were compelled to take advantage of (and match equally) the minimum sums appropriated for teacher training in these two branches.

Although the act was passed in February, 1917, the pressure of war conditions was so great that the President did not appoint the three members of the Board till July 17.[1] Charles A. Prosser[2] was appointed Director (or executive officer) of the Board in August. A series of meetings with representatives of the states was held in the same month, at which the act was explained and general policies formulated.

The tasks of the Board were increased by the war-time responsibilities which it assumed. It promoted emergency training for conscripted men, conducted chiefly in the evening, and approximately 19,000 men were given some training in radio classes, and 16,000 in mechanical trades. In addition to this, the Smith-Sears Act, passed in April, 1918, placed the Board in charge of the vocational education of disabled soldiers and sailors, and appropriated $2,000,000 for this work. Congress appropriated $14,000,000 more for this purpose in the summer of 1919, to which was added $23,000,000 by three deficiency bills, while the sundry civil bill of June 5, 1920, made a further appropriation of $90,000,000 or a total of $129,000,000. These funds, of course, are not expended on the federal-aid plan, but are administered directly by the Board, which has thus been obliged to devote its major attention to problems other than those for which it was originally created.

By June 30, 1919, the appropriations provided for by the Smith-Hughes Act had been accepted by the legislatures of all

[1] They were Arthur E. Holder, to represent Labor; Charles E. Greathouse, to represent Agriculture; and James P. Munroe, to represent Manufacturing and Commerce. C. E. Mackintosh has since replaced Mr. Greathouse.

[2] Since resigned.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the states, save that Rhode Island did not accept the federal aid for agriculture. Owing to the newness of the act, practically one-half of the allotments was not utilized by the states during the first year (July 1, 1917–June 30, 1918), and one-third was not utilized in the second year, as is shown by the following Table:

TABLE IV[1]

AMOUNTS OF FEDERAL-AID GRANT EXPENDED AND UNEXPENDED BY THE STATES FOR THE FISCAL YEARS 1917–18, 1918–19 (to the nearest thousand)

Purpose	1917–18			1918–19		
	Amount sent to States	Amount expended by States	Amount unexpended by States	Amount sent to States	Amount expended by States	Amount unexpended by States
Agriculture. . .	$547,000	$274,000	$273,000	$783,000	$526,000	$257,000
Trade, Industry and Home Economics. .	565,000	365,000	200,000	794.000	610,000	184,000
Teacher Training	544,000	197,000	347,000	730,000	426,000	304,000
Total	$1,656,000	$836,000	$820,000	$2,307,000	$1,561,000	$745,000
Per cent. . . .	100	50 5	49.5	100	67.7	32.3

The unexpended balances are to be deducted from the following year's allotments to the respective states.

It was feared in many quarters that the opportunity given the states to set up boards separate from the state boards of education would afford an opportunity for the so-called "dual system" of control to be fastened upon the country. This system had been advocated in 1914 and at later sessions of the Illinois legislature by E. J. Cooley and by the Chicago Commercial Club, and had been opposed by labor unions and civic bodies who feared that the vocational schools would thus be taken out of the hands of the educators and placed in the control of the manufacturers.

[1] Compiled from data given in the Second Annual Report of the Federal Board for Vocational Education, pp. 110–112, and Third Annual Report, p. 210.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In 31 states the state board of education was made the board for vocational education and unit control was thereby continued. In eight of the remaining states, there had previously been no state board of education that could have assumed the duties, while one (Wisconsin) already had a separate board for vocational education. Omitting Wisconsin and Colorado (where the state board of agriculture was designated to act for the state), an analysis of the remaining fifteen states indicates that control is still exercised by the educators and has not been ceded to the employing interests. In six of these boards all the members are educators;[1] two of them are composed exclusively of educators and state officials;[2] in two more the educators are overwhelmingly in the majority;[3] while in all of the remaining five[4] not only are they represented, but the farming and laboring interests are represented as well, so that control cannot be exercised by the employers. While it is possible that later appointments may change the complexion of some of these boards, for the present at least, there need be no fear that the large industrial interests will dictate the policy of industrial education that is to be pursued.

At the time of the passage of the act, seven states[5] had systems of state aid to localities for vocational education. In five of these states[6] the addition of federal aid was met by merely continuing the previous state appropriations, while in two[7] additional sums were appropriated. In certain of these states, the state contributes an equal share to that of the federal government and requires the locality to contribute at least an equal amount. Here each of the three agencies bears one-third of the expense, and the federal aid is doubled by the

[1] Alabama, Kentucky, Michigan, Mississippi, North Carolina and South Dakota.

[2] Illinois and Nebraska.

[3] Ohio and Oklahoma.

[4] Georgia, Iowa, Maine, New Hampshire and Oregon.

[5] Connecticut, Indiana, Massachusetts, New Jersey, New York, Pennsylvania and Wisconsin. Virginia had a law providing for such a system but no funds for this purpose had been provided by the legislature.

[6] Indiana, Massachusetts, New York, Pennsylvania and Wisconsin.

[7] Connecticut and New Jersey.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

state and locality. In other states, the share of the locality is merged with that of the state in meeting the federal appropriation.

A different kind of problem faced the legislatures of the remaining forty-one states, which had previously had no system of state aid to localities for vocational education. Should the state itself appropriate the money to match the federal grant, should it throw the burden upon the localities, or should the two bear it jointly? Twenty-five,[1] over half the remaining number, made appropriations equal to or greater than the federal allotments. Localities, of course, could make additional appropriations, and in many cases were expected to do so. In the remaining sixteen states,[2] appropriations were made by the legislatures which were not equal to the federal allotments, and the localities were expected to make up the remainder. In Mississippi, Oklahoma and Texas particularly, it seems to be the intention to have the localities (if they will), rather than the states, assume the brunt of duplicating the federal allotments.[3]

The federal appropriations have not resulted in replacing funds previously appropriated by states or localities for vocational education. They have consequently meant not only a net addition to the funds for vocational education, but in the majority of cases have called forth additional equal appropriations from the states or localities. Several states have already appropriated far more than is legally required in order to obtain federal moneys, and doubtless many other states and localities will follow their example.

The Board has been slowly working out standards of vocational education upon which to base its policy in granting or

[1] Alabama, Arizona, California, Colorado, Delaware, Florida, Idaho, Illinois, Kansas, Maine, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Oregon, South Carolina, Tennessee, Utah, Vermont and Virginia.

[2] Arkansas (until 1921), Georgia, Kentucky, Iowa, Louisiana, Maryland, Michigan, Mississippi, North Dakota, Oklahoma, Rhode Island, South Dakota, Texas, Washington, West Virginia and Wyoming.

[3] Thus in Oklahoma the state appropriation amounted to about 5 per cent of the federal allotment and in Mississippi to about 10 per cent.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

refusing aid. Training in agriculture and home economics is still in such chaotic condition that the Board has not found it possible to lay down standards in these fields, except to indicate that the supervised home project should be used as much as possible in agricultural work. Perhaps the most important issue in vocational education is whether the training given shall be confined solely to the trade at which the student works, or whether it shall also prepare him for other trades, if he needs such preparation, and educate his general faculties as well. As has been said above, night schools receiving federal aid must confine themselves to those things connected with the occupation the student follows. The work of continuation schools may be either supplementary to the young worker's trade, a preparation for other industries or a medium of general civic training. All of these subjects may indeed be given as separate courses in the same school and be taken by the boys and girls.

It is probably not unfair to the Federal Board for Vocational Education, however, to state that its influence is more on the side of the narrow supplementary training than upon the broader aspects. Any such conception of industrial education fails, of course, to take account of the fact that it is manifestly improper to train boys and girls for only the occupations at which they are engaged, when most of these occupations are such as should never be followed by the children.

The work of the various types of schools must conform to a certain standard of efficiency before the Federal Board will grant aid. To determine this, the Board relies upon the reports made by the state boards and inspection by its own agents, who operate from the headquarters of the five districts into which the country is divided for the purpose of administration.[1] During the second fiscal year which ended June 30, 1919, 1,931 schools applied for federal aid and of these, 1,789, or 92.6 per cent, were approved and 142, or 7.4 per cent, were rejected.[2]

[1] New York City, Atlanta, Ga., Indianapolis, Kansas City, Mo., and San Francisco.

[2] Third Annual Report of the Federal Board for Vocational Education, 1919, p. 229.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In the year ending June 30, 1919, approximately 195,000 pupils were enrolled in the vocational courses, 121,000 of whom were males and 74,000 females. Some 18,000 of these were enrolled in agricultural subjects, 19,000 in all-day trades or industrial schools, 73,000 in continuation schools[1] (51,000 of these being in general continuation schools and 22,000 in trade or industrial continuation schools), 44,000 in the evening industrial schools, and 41,000 in home economics schools.[2] In addition to this 7,400 students received teacher training during the year.

Perhaps the most notable result of the act has been the enactment by seventeen states of compulsory part-time continuation schools for children over 14, running from 144 to some 300 hours per year.[3] The continuation school promises, indeed, to become the basic factor in our system of further training for the child who has left school.

Federal Aid in Campaign Against Venereal Disease in Civilian Population

Though the Chamberlain-Kahn Act of 1918 is the least important of the federal-aid laws, the fact of its passage, together with its functioning, makes it of interest. As is well known, the national government took steps to protect soldiers and sailors from the menace of venereal disease. It was soon seen that the problem was not merely one of keeping the immediate environs of the military camps clean, but one of cleaning up the civilian communities as well. As a result of a vigorous campaign carried on by social-hygiene workers, a bill introduced by Senator Chamberlain and Representative Kahn[4] was incorporated as Chapter 15 of the Army Appropriation Act of 1918.[5]

[1] 40,000 of these were in the continuation schools of Pennsylvania, and 9,000 in those of Massachusetts.

[2] Compiled from data given in the Third Annual Report of the Federal Board for Vocational Education, 1919, p. 220.

[3] Wisconsin in 1911 and Pennsylvania in 1916 had already passed such laws. The 17 additional states were Arizona, California, Illinois, Massachusetts, Michigan, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, Oklahoma, Oregon, Utah and Washington.

[4] 65th Congress, 2nd Session, H. R. 12258. [5] Public No. 193, 65th Congress.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Aside from an appropriation of $1,000,000 to be allotted to the states for the purpose of caring for diseased persons in detention houses and appropriations for medical, sociological and psychological research, the act provided for the allotment of $1,000,000 annually for two years, to be apportioned to the states in the proportion which their population formed of that of the United States. For the year 1918–19, no corresponding appropriation was required of the states, but this was required for the million dollars to be allotted in 1919–20. The act was to be administered by the United States Public Health Service, aided by an Interdepartmental Social Hygiene Board,[1] which was to cooperate with the respective state boards of health in the distribution and expenditure of the allotments.[2]

The work was delayed for some months because of the difficulty in getting the overburdened cabinet officers together to work out a program. After some delay it was decided to assign to each of the states a public health officer, who was to cooperate with the state health officer in supervising the venereal-control work of the state. The general measures to be followed and the proportion of a state's allotment that could be spent for the respective methods were outlined as follows: [3] (*a*) Examination of suspects and treatment of infected persons in detention homes, clinics *etc.*—50 per cent. (The establishment of the detention homes and clinics was a most important war-time measure.) (*b*) Educational measures to inform the general public, as well as those infected, of the character of venereal diseases and the necessary measures to combat them—20 per cent. (*c*) Repressive measures, with the cooperation of local authorities, to suppress public and clandestine prostitution —20 per cent. (*d*) Administration and other work—10 per cent.

[1] Consisting of the Secretaries of War, the Navy and the Treasury and the Surgeon Generals of the Army, Navy, and Public Health Service, or their representatives. The duties of this board have decreased as the situation has developed.

[2] For a description of the act and the machinery set up to administer it, see H. H. Moore, "Four Million Dollars for the Fight Against Venereal Disease", *Social Hygiene*, January, 1919, (vol. v, no. 1), pp. 15–26.

[3] See Public Health Reprint No. 485, "Regulations Governing Allotment of Funds for Venereal Disease Prevention Work", pp. 3–4.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The work of the Venereal Disease Division has been most effective, and Congress made further provision for the cooperative work with the states in the Sundry Civil Bill, approved June 5, 1920, whereby the unexpected balance of approximately $300,000 for state allotments was continued for the year 1920–21 and an additional appropriation of $450,000 was made. An appropriation of $335,000 was made available for research work by colleges and universities, which were to contribute at least an equal sum.[1] This last is an interesting extension of the principle of federal aid to public grants to private bodies.

Federal Aid for Vocational Rehabilitation of Civilians

The war-time attention given to the reeducation of the military cripple also threw light upon the wastage caused by our neglect of the civilian cripple. It was realized that the technique and equipment developed in caring for disabled soldiers could be utilized later in caring for disabled civilians. In 1918 and 1919, therefore, nine states passed legislation providing aid for the rehabilitation and reeducation of the civilian cripple.[2] Bills providing federal aid for this purpose were sponsored by the American Association for Labor Legislation in 1918 and 1919, and the Senate in June, 1919, passed a bill to this effect which had been introduced by Senator Smith of Georgia.[3] In October, however, the House passed another bill,[4] differing in only a few details, and a delay of some months ensued which was ended by the Senate accepting the House bill, which was accordingly approved June 2.[5]

The act appropriates $790,000 for 1920–21, and $1,034,000 annually for the next three years.[6] The allotments are to be

[1] See the *Social Hygiene Bulletin*, July, 1920 (vol. vii, no. 7), p. 5.

[2] Massachusetts (1918), California, Illinois, Minnesota, Nevada, New Jersey, Oregon, Pennsylvania and Rhode Island (1919).

[3] S. 18. 66th Congress, 1st Session.

[4] H. R. 4438. 66th Congress, 1st Session.

[5] Public No. 236, 66th Congress.

[6] That is, $750,000 plus $40,000 to make up the states' quota if needed, and $1,000,000 plus $34,000 for the same purpose.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

distributed among the states in proportion to their population, with a minimum allotment to each state of $5,000. The administration of the act was given to the Federal Board for Vocational Education. Throughout the discussion of the various bills, there had been difference of opinion as to whether the act should provide for the rehabilitation of the industrial cripple alone or for the non-industrial cripple, as well. Certain investigations that have been made show that the latter class far outnumbers the former.[1] The act as finally passed shows the influence of both of these opposing conceptions. Section I declares that the act is intended "to provide for the promotion of vocational rehabilitation of persons *disabled in industry or in any legitimate occupation* and their return to civil employment." This clearly seems to limit the act to those who have been injured in the course of their employment and to exclude those whose disabilities have originated outside of industry. Section II, however, proceeds to interpret the scope more broadly. "Persons disabled", it declares, "shall be construed to mean *any person who by reason of a physical defect or infirmity, whether congenital or acquired by accident, injury or disease, is, or may be expected to be totally or partially incapacitated* for remunerative employment." This interpretative phrase, therefore, changes the entire meaning of the original section and seems to make the scope of the act so broad as to include all varieties of cripples.

The confusion between these two purposes will, however, undoubtedly create many difficult problems of interpretation for the Federal Board. To mention only one contingency: Is a child suffering from the after-effect of infantile paralysis eligible for federal aid? Under Section II it would seem that he is, but Section II defines only the phrase "persons disabled", and Section I says that the act applies to those "persons disabled in industry". Can a child not yet employed in industry be declared eligible?[2]

[1] See my article on "An After-care Clinic in Oregon", *American Labor Legislation Review*, vol. ix, pp. 134–36; see also survey of Cripples in Cleveland, Ohio, made by the Red Cross Institute for Disabled Men.

[2] The Federal Board seems to think that all non-industrial cripples who can be rehabilitated are eligible. See the Vocational Summary, August, 1920, p. 50.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Since the act does not contemplate that cripples who cannot be rendered fit to engage in remunerative employment should be rehabilitated, the further difficult duty devolves upon the Board, or state boards, of deciding in concrete cases whether the specified cripple is indeed hopelessly disabled. This will be exceedingly difficult in many cases.

Evaluation of the American Federal-Aid System

Thus far each of these acts has been studied separately.[1] A review of them as a whole may indicate more adequately their present importance and their basic characteristics, together with their advantages and the possibilities for their improvement and extension.

The following Table shows the amounts of money already pledged for the carrying out of the acts studied and the minimum amounts which must be appropriated by the states and localities.

These sums do not include (1) the $480,000 annually allotted to the states under the Smith-Lever Act which do not have to be duplicated, (2) the $200,000 annually appropriated for the support of the Federal Board for Vocational Education, (3) the $500,000 experimental highways appropriation of 1912, (4) the $2,000,000 allotted to the states under the Chamberlain-Kahn Act which did not have to be matched by state appropriations together with the appropriations made for administration and research, (5) the money appropriated to the Federal Board for the administration of the Vocational Re-

[1] Differing from these measures in certain important respects is the Flood Control Act of 1916 (Public No. 367, 64th Congress, 2nd Session). This act appropriated $45,000,000 for protecting lands adjoining the Mississippi, of which $30,000,000 was designed as federal aid to the various levee districts for the construction of levees. In addition, $5,600,000 was appropriated at the same time for work upon the Sacramento River. While the state of California was to duplicate the Sacramento appropriation, the Mississippi levee districts were required to appropriate only one-half as much as the federal grants for levee construction. The actual carrying out of both of these projects is to be administered not by state bodies (as in the other acts), but directly by the federal agencies, *i. e.*, The Mississippi River Commission and the California Debris Commission, respectively. One might therefore call this act state aid for a federal project rather than the reverse.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE V

FEDERAL AID APPROPRIATIONS

Fiscal Year	Agricultural Extension (Smith-Lever)	Highways Post Roads Acts of 1916 and 1919)	Vocational Education (Smith-Hughes)	Venereal Disease (Chamberlain Kahn)	Vocational Rehabilitation	Total
1915-16...	$600,000	. . . . .	. . . . .	. . . . .	. . . . .	$600,000
1916-17...	1,100,000	$5,000,000	. . . . .	. . . . .	. . . . .	6,100,000
1917-18...	1,600,000	10,000,000	$1,660,000	. . . . .	. . . . .	13,260,000
1918-19...	2,100,000	65,000,000	2,312,000	. . . . .	. . . . .	69,412,000
1919-20...	4,100,000 [2]	95,000,000	2,082,000	$1,000,000	. . . . .	103,082,000
1920-21...	4,600,000 [2]	100,000,000	3,636,000	450,000	$777,000	109,463,000
1921-22...	4,100,000	. . . . .	4,129,000	. . . . .	1,034,000 [1]	9,263,000
1922-23...	4,100,000	. . . . .	4,623,000	. . . . .	1,034,000 [1]	9,757,000
1923-24...	4,100,000	. . . . .	5,118,000	. . . . .	1,034,000 [1]	10,252,000
1924-25...	4,100,000	. . . . .	6,180,000	. . . . .	. . . . .	10,280,000
1925-26...	4,100,000	. . . . .	7,167,000	. . . . .	. . . . .	11,267,000
Total Federal Grants.	$34,600,000	$275,000,000	$37,807,000	$1,450,000	$3,879,000	$352,736,000

habilitation Act, (6) the appropriations made under the Flood Control Act.

But the $352,000,000 indicated above will undoubtedly be increased in the following ways:

(*a*) By the continuation of appropriations for agricultural extension and vocational education after 1925–26 under the Smith-Hughes and Smith-Lever Acts. These appropriations continue at their maximum indefinitely unless specifically denied by Congress.

(*b*) By the appropriation by Congress of additional sums for these purposes other than those shown above. It is extremely probable that Congress will appropriate additional federal aid for good roads. It is also likely that the appropriations for vocational education and agricultural extension work will be decidedly increased.

(*c*) By the extension of the federal-aid system for additional

[1] On the assumption that the additional appropriation of $34,000 to make up the minimum state quota of $5,000 will be needed.

[2] Includes $1,500,000 supplementary appropriation made in Agricultural Appropriation Acts.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

purposes. Bills have been introduced in the present Congress providing federal aid for state employment agencies,[1] for the health of mothers and infants,[2] for rural sanitation, and for the development of physical education.[3] Several bills providing federal aid to the states for various educational purposes have been introduced, chief of which is that of Congressman Towner of Iowa. This bill proposes an annual appropriation of $100,000,000 for federal aid to be distributed as follows: Americanization, $7,500,000; equalization of educational opportunities, including the extension of school terms and partial payment of the salaries of teachers, $50,000,000; physical education, $20,000,000; and teacher training and preparation, $15,000,000. There has been a great deal of discussion about this bill and although it failed to pass Congress either it or some similar act will probably be passed within the next few years.[4] Secretary Lane's plan for aiding soldiers and sailors to settle on the land in communities provided not only for colonization by the national government, but also for federal aid to those states appropriating funds for these purposes which would cooperate with the national government.[5]

Another bill which in its substantive features is likely to become law in the near future is the Kenyon Americanization

[1] These bills were originally sponsored by the American Association for Labor Legislation. The bill providing federal aid for the state agencies was introduced in the session of 1917–18 and again in the spring of 1919 and was based upon the theory of a federalized employment service with state autonomy. This idea of course is very different from the evolution of the employment service in war time, when it became a national rather than a federal agency.

[2] The Robinson Bill, S. 233, 66th Congress, 1st Session. Also the Sheppard-Towner Bill which was reported favorably by the Senate Committee on Public Health in the spring of 1920.

[3] The so-called Fess-Capper Bill.

[4] The Smith-Towner Bill (H. R. 7) is endorsed by the National Education Association, the American Federation of Labor and the American Federation of Teachers.

[5] This bill (H. R. 487) was drawn up largely under the supervision of Dr. Elwood Mead, and was introduced into the House of Representatives by Mondell, the Republican floor leader. The states are required to appropriate only 25 per cent of the total funds instead of 50 per cent, as in the other federal-aid acts. As introduced, the bill carried an appropriation for $500,000,000 by the federal government.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Bill,[1] which passed the Senate in January, 1920, but failed to be reported out of the House Committee on Education. This bill provided for an appropriation of $6,500,000 to be apportioned among the states in proportion to the number of resident illiterates that they contained and to be administered by the Department of the Interior. The states were not only required to duplicate this allotment but were also to require all illiterates under 21 years, whether native-born or foreign, to attend classes of instruction for not less than 200 hours a year until they completed an approved course. In addition the states were to provide voluntary classes for those between 21 and 50 years of age who were either illiterate or could not understand the English language. Both of these classes were, among other subjects, to be given "instruction in American history, the fundamentals of civic government and the principles of the Constitution".

The system of federal aid therefore shows itself to be already firmly established in our political system, with every prospect of its becoming more important as time goes on. The basic characteristics of equal appropriations by the states to match federal grants, and the general supervision over projects by federal authorities with the actual administration carried on by state boards, have perhaps already been emphasized sufficiently in this article. Three minor features are likely to be overlooked: (1) the maintenance of these acts by continuing rather than by annual appropriations, thus placing the work upon a more permanent basis and requiring the express agreement of both branches of Congress to curtail or stop the work carried on under the original act; (2) the methods followed in distributing the annual appropriations among the states;[2] (3) the stipu-

[1] S. 3315, 66th Congress, 2nd Session.

[2] Two of the acts (the Smith-Lever and the Smith-Hughes) protect the smaller states by guaranteeing a certain minimum to all. The basis used for apportionment in the Smith-Lever and Smith-Hughes Acts is that of population—rural in the case of agricultural extension work and a combination of urban and rural for vocational education; in the case of the post-roads acts it is a composite method, including total population, area, and mileage of rural post roads. In all of these, there is evident some desire to apportion the funds in proportion to the respective burdens which each state bears.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lation that none of the federal appropriations or their state equivalents shall be expended for overhead but must be expended for the main purpose at hand.[1]

What may be said to be the advantages of the federal-aid system which have caused its adoption for so many purposes or which justify its continuance? These are very real and may be briefly summarized as follows:

(1) Federal aid divides a burden which is often too heavy for a state to bear unaided. Many states have large numbers of children needing to be educated but possess inadequate resources for their education. Likewise, a state may have a wide area and need a thorough system of highways, yet it may be unable to maintain one because of its poverty. Federal aid recognizes the fact that a state's resources need not be, and generally are not, in proportion to its needs, and it therefore widens the geographical area which bears the burden. The richer states help bear the burdens of the poorer. It is noteworthy that most of the opposition in Congress to the various federal-aid acts has come from the representatives of the wealthier states of the East.

(2) It insures a certain national minimum standard to which all states that accept federal aid are held. Many states would be unable to maintain such a standard without federal aid, and many others would be indifferent to this necessity unless stimulated by the offer of a federal grant. The creation of this national minimum is necessary because no state can live in isolation. If its roads are poor, citizens and traffic from other states, using its highways, suffer. Moreover, our population is so mobile that a large percentage of our people are living in states other than those in which they were born and raised. They should not be handicapped because of the accident of birth.

(3) It insures relatively economical expenditure of federal funds and prevents their misuse. Were the federal govern-

[1] Thus in the agricultural-extension and vocational-education acts none of the federal money can be used for buildings, equipment, rentals *etc*, while in the good-roads act none of it can be used for maintenance and upkeep.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ment to appropriate these funds outright, their allotment would soon degenerate into a scramble by the localities for federal moneys without regard to the need for services or for the economical administration of the appropriations. The appropriation acts for rivers and harbors and post offices of the last 35 years have shown the anxiety of localities to feed from the general treasury when no responsibilities are attached to the appropriation, aud the consequent degeneration of representative government into a scramble for local appropriations. But the state or locality which is compelled to match every federal dollar with one of its own will behave far differently. Its citizens will not desire to waste federal money, for in so doing they will waste their own. The requirement that it must duplicate the federal appropriation provides, therefore, the acid test of real interest and sincerity.

(4) It creates no centralized bureaucracy but instead grants initiative and autonomy to the states. This is not only much better than the undue centralization that would result if the central government itself administered everything, but it is a great improvement over the English system of grants-in-aid. There the national bodies deal directly with the thousands of local units, while with us the state is the smallest unit with which the national government has contact. Initiative in proposing projects rests entirely with the state. This gives local interest in the matter to the citizens of a state; they are doing things for themselves instead of waiting for Washington to do them. It also gives local plasticity and does not bind the country into a deadening uniformity. Also, interesting experiments can be carried on in a state and adopted as a general policy if the results are favorable. Thus the same advantages that Lord Bryce observed in the federal system in political matters are fostered in the fields covered by federal aid. With this creation of a national minimum carried out under a national policy but with a decentralized machinery, practically all the good features of centralization and state supremacy are combined without the disadvantages of either.

(5) It affords a clearing house for information, permits of centralized research and distributes the results of investigations

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and experiments. The central body at Washington is enabled to gather together the experience of individual states and to conduct independent research and then place this at the service of the localities. This is an advantage which is almost totally absent under exclusive state action and is of the utmost importance in the successful administration of any act.

(6) It largely solves the constitutional objections that have hitherto been a barrier to the creation of national standards. The states are not compelled to come under the federal aid acts; their acquiescence is purely voluntary. If they do accept the federal aid, they accept of their own free will the standards which the national government lays down to protect the expenditure of that aid. In other words, the states voluntarily share their sovereignty in certain matters with the national government in order to obtain national assistance. But if they prefer their sovereignty to the aid of the federal government, they can refuse to come under the act. All this is perfectly constitutional, since a state's sovereignty or power is its own, and it can do with it as it pleases. If it chooses to come under a federal act, it has been the state which has consented to limit its power in return for a consideration, and not the national government that has forced it to do so. A state's sovereignty, therefore, becomes elastic and sharable, not fixed and monistic. State and nation become partners, and their partnership is one that can always be dissolved at will.

(7) It serves to integrate the units affected within a state and to strengthen state control. The fact that the national government deals only with the state bodies produces a unified system within the state and prevents too great variation on the part of the localities.

It would, of course, be idle to pretend that all difficulties have been solved and that there are no flaws in the system. While certain objections, such as those advanced by Mr. L. D. Wadsworth of the American Bankers' Association, can be briefly dismissed,[1] there are others which merit attention.

[1] Mr. Wadsworth, in his article "Federal Aid Versus Budget Control", *Journal of American Bankers' Association*, November, 1919, charges that the systen of fed-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Perhaps the greatest problem has been that of obtaining national standards of efficiency without producing uniformity between the states or bureaucracy in the central administrative body. It is largely on this ground that many objections have been raised to the Smith-Towner Bill granting federal aid for education.[1] Another vexatious difficulty is to determine equitable methods of apportionment among the various states. The methods hitherto adopted have been rough approaches to justice, but in some cases they have not been unmixed with the attempts of congressmen and senators to secure as large a share as possible for their states. Still another difficulty has been the reluctance of some state legislatures to appropriate money for educational purposes that were not federal-aided. Finally, friction between the states and the central bodies, while not serious, has sometimes existed, and frequently an undue duplication has been caused by the national body maintaining a staff to inspect work within a state and the state itself maintaining a force to administer and supervise.

In spite of all these difficulties, however, it is clear that the advantages far outweigh the disadvantages. The principle of federal aid to states and localities should be substituted for the principle of exclusive federal payment on river and harbor projects and other public works. Federal aid would also be very beneficial if it were extended for general education, the education of the negro, the protection and enhancement of the public health *etc.* The cooperation between the federal government and the states in matters of expenditure, moreover, points the way to cooperation in matters of revenue. Thus, as Professor Seligman has suggested, the federal government

eral aid is in general socialistic and consequently un-American in nature and intimates that it is being fostered by the forces of disorder. More specifically he attacks the principle on the ground that it (1) constitutes an encroachment by the national government upon the rights and functions of the states, and (2) builds up a top-heavy and inefficient bureaucracy in Washington, and (3) leads to the plundering by states and localities of the national treasury for purely local ends. That the federal-aid measures (with the possible exception of the Flood-Control Act) do none of these things has, I think, been shown in the preceding discussion.

[1] See Professor Charles H. Judd's discussion of the difficulties encountered in the drafting of the Smith-Towner Bill, *School and Society*, June 5, 1920, pp. 661–74.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

could collect such taxes as the income and inheritance levies and apportion them among the states concerned.

The system of federal grants-in-aid serves, therefore, to demonstrate and vindicate the true merits of federalism in an age far different from that which the Fathers envisaged when they drew up the Constitution.

PAUL H. DOUGLAS.

UNIVERSITY OF CHICAGO.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

REFORM IN INDIA

ON November 17, 1919, the Joint Committee of the Lords and Commons appointed to consider the Government of India Bill presented its report. The amendments it proposed to the bill were accepted *en bloc* by the Coalition Government, without the alteration of even a comma. The bill so amended passed the House of Commons on December 5 and, being approved by the House of Lords, became law before the Christmas holidays. This fact lends special weight to the report of the committee, in which are discussed not only the provisions of the bill but also the principles which should guide Parliament, the Secretary of State, the Government of India and the provincial governments under the new constitution. Though the constitution is avowedly a transitional one, and though, with a changed Government at Whitehall, its years may be even fewer than its authors anticipate, the report is yet a historical document of the first magnitude.

The key to the new policy was announced on August 20, 1917, by Mr. Montagu as Secretary of State, and this the committee has taken care to embody in the preamble to the act. The essential portions are as follows:

> Whereas for the purpose of the increasing association of Indians in every branch of the Indian Administration, and the gradual development of self-governing institutions, with a view to the progressive realisation of responsible government in British India as an integral part of the Empire, it is expedient that substantial steps in this direction should be taken, and whereas progress in this direction can only be achieved by successive stages:
>
> And whereas the time and manner of each advance can be determined only by Parliament, upon whom responsibility lies for the welfare and advancement of the Indian peoples:

The wording of the preamble has been closely scrutinized in India and not without reason. Though at first sight merely embodying that caution in advance and dislike of general prin-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ciples characteristic of the Englishman, it discloses on examination the clash between two opposing schools of thought. In "self-governing institutions" and "responsible government"—the keynotes—democracy speaks. But the modifying clauses kill all the grace and virtue of her speech. Such expressions as "gradual development" and "progressive realisation" may be used to excuse any delay, to stifle progress and to justify the most reactionary policy. They are expressions which have been on the lips of Indian bureaucracy for a century, and of their worth Indians have had ample opportunity of judging. Even less does the arrogation to Parliament of the time and manner of each advance savor of the spirit of liberty. In it we may recognize the voice of Lord Curzon, most overweening of Viceroys, whose chief claim to fame is that, by seeking to trample on new-born Indian nationalism, he quickened its growth a hundredfold and founded the Indian patriotism of today. As a matter of fact, the announcement of August 20 was framed not by Mr. Montagu but by Lord Curzon.

Contrast the preamble of this act with that of the United States law of 1914 for the government of the Philippines. Does not the former betray the authoritarian mind? Does it not breathe the spirit of the schoolmaster who permits some loosening of the bonds of discipline but warns his pupils that any further relaxation will depend on their good conduct, of which he himself is to be the sole judge? On the other side see the spirit of freedom, treating the Filipinos as equals, promising them complete independence and avowing that the object of the law is but to enable them better to enjoy that independence. Section 3 of the United States law contains provisions of the last importance in the nature of a declaration of rights. In the Indian act no such provisions occur. The omission is intentional. Would not a declaration of rights destroy arbitrary power? Would it not cut at the root of the Rowlatt Act, the Press Act, the Meetings Act and a host of other like restrictions under which India now groans? Today, though there may be freedom for the British in India, there is none for the Indian. "I will trust the people with the custody of their liberty", said Charles I, "but I will trust no people with the

LICENSED TO UNZ.ORG.
ELECTRONIC REPRODUCTION PROHIBITED

custody of any liberty other than their own, whether that people be Rome, Athens or Britain." That truth is as yet ungrasped by the British Parliament.

The Indian act hinges on the scheme of dyarchy for the provincial governments. By this plan the functions of government are divided into two classes, reserved and transferred. The reserved subjects remain under the control of the governor and his executive council of four. Two of the councillors will be Indians, but, since the governor will nominate them, they will not be influenced by the legislative assembly and may easily be entirely out of sympathy with it. The transferred subjects will be in charge of Indian ministers nominated by the governor from the assembly and possessing the confidence of the majority of its members. Ministers and councillors will meet in consultation, but each will be responsible only for his own department. Where their views clash, the governor will act as arbitrator. He will decide on the allocation of funds to the different departments. In certain cases he may override the assembly. Obviously such duties will demand a high degree of tact, firmness and sympathy with democratic ideas. Of the legislative assemblies not less than 70 per cent are to be elected, and not more than 20 per cent are to be officials. But the Southborough Committee, which dealt with the composition of the assemblies and with the franchise, was greatly influenced by the officials, now as always hostile to democracy. The franchise it recommended would include only 5 per cent of the population and would leave wholly unrepresented the working classes, who in Bombay and elsewhere work and live under terrible conditions. This matter the Joint Committee has rightly referred back for further report. Unfortunately, it has accepted the equally unstatesmanlike report of the Functions Committee, which limits the transferred subjects to education, sanitation and some minor departments and leaves with the officials the important item of land revenue. The Indian National Congress and the Moslem League have declared for complete provincial autonomy.

The Government of India, the citadel of bureaucracy, remains in effect unshaken. True, the act sets up an Assembly

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of 120 members, 80 to be elected, and a Council of State of 60 members, not more than 20 of whom shall be officials. At least three members of the Executive Council, less than half, will be Indians, but Indians nominated by the Viceroy, not responsible to the people. And the Viceroy, overriding the Assemblies, may sanction any expenditure and pass any law he considers fit. He therefore retains in full the arbitrary powers which he has exercised hitherto by means of the official *bloc*. In the important matter of the budget it is recommended that when the Viceroy and Assemblies agree, the Secretary of State shall not set their views aside; and since the fiscal policy of India has been ordered up to now not in the interests of that country but of Great Britain, this recommendation marks a real step in advance.

The final constitution of India will and must be a federation, though the states of the federation may differ from the existing provinces. Of such a federation the Council of State now set up may easily form the Senate and the Legislative Assembly the House of Representatives. But for the moment this question is untouched. Because federation implies real autonomy and freedom from official control, officials look askance at the idea, using the awkward word "central" instead of federal to describe the Simla Government. Indians, on the other hand, are intent on developing the new-born sense of national unity and patriotism. They wish to weld and knit together the differing peoples of India, to lower the barriers dividing province from province. But national unity once firmly established, they will certainly resolve on a federal constitution, the only constitution that gives scope for local life, local initiative and local patriotism.

The constitution framed by the committee and passed by the Coalition Government is in several respects in advance of the original proposals of the Montagu-Chelmsford Report. Why is this? Why should a committee the majority of whom were Conservatives, and a Government which is in reality though not in name a Conservative Government—a party that has ever upheld authority and hated freedom—have stood in this matter of the Indian constitution for real progress? What,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

too, was the reason for the strange haste with which the measure was pushed through Parliament? The answer is that it was a question of expediency. India was dangerously disturbed, seething with discontent; it was expedient, nay imperative, to apply quick palliatives. The delay in fulfilling the promise of August 20 had indeed fostered discontent, but it was not that discontent which spurred on the committee and the Government. Deeper matters agitated the Indian mind; fierce currents surged beneath the surface. India during the war had remained loyal to the British flag. Believing that the war was waged for liberty, for justice and for the rights of peoples to govern themselves, she supported freely the cause of the Allies with men and food and, so far as her poverty allowed, with money. For reward she received the Rowlatt Act. This act, which aimed to perpetuate the arbitrary powers exercised during the war, came to India as a slap in the face. Every man felt himself in fetters, his future progress threatened, himself and his belongings at the mercy of officials and informers. After the act had been passed by the Legislative Council, in the teeth of the opposition of all its Indian members, an agitation against it sprang up throughout the country. The chief form that this agitation took was *Satyagraha* or passive resistance, a movement led by Mr. Gandhi, a man revered throughout India as a saint. There was in it nothing seditious, nothing dangerous to public order. But officialdom saw danger where no danger was. In the Punjab, already disturbed by the despotic war measures of the Lieutenant-Governor, Sir Michael O'Dwyer, two popular leaders were interned, whilst Mr. Gandhi, who was coming to smooth matters over, was suddenly turned back. At Amritsar a crowd of peaceful petitioners was fired on by troops. The people were infuriated; they killed two Europeans; they burnt buildings. Two days of peace followed, and then General Dyer perpetrated the shocking massacre at the Jallianwallah Bagh. A quiet crowd, assembled to denounce outrage, was butchered by rifle fire without a shadow of warning or of provocation. When the troops had exhausted their cartridges, 500 dead and dying men littered the ground, and 1500 wounded were left uncared-for and untended. Never be-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fore, except in Ireland, has the British name been sullied by a crime so black. Other, if minor atrocities, followed elsewhere in the Punjab, where for a time there ruled a reign of terror. The Indian Government not only condoned all these atrocities, but it suppressed by every means in its power a knowledge of the facts. When, against its will, the Hunter Commission—an inadequate and partial commission—was sent out to inquire, it hastened to pass an act of indemnity to shield the perpetrators. But though no overt reference to the horrors of the Punjab pierced the mist of the censorship, word of what had been done passed through India, and there welled up a hatred of the British such as had never before been known. Simla was alarmed and with reason. It became expedient not only to appease the popular discontent but to appease it quickly. The National Congress was due to meet at this very town of Amritsar on December 27. It was essential that when met it should find in being a liberal measure of reform. Hence the unexpected improvement in the original scheme, hence, too, the speed with which Government hastened to translate its measure into law. Incredible as it may seem, it was not till after the India Bill had passed the House of Commons that the Amritsar massacre became known to the British public. Otherwise even the present House might have repudiated the doctrine that Simla is "responsible" to London alone and not to the people of India.

The National Congress met at Amritsar. It was a wonderful meeting, a land-mark in the history of India. Though the speakers were righteously indignant at the atrocities in the Punjab, their indignation was tempered by statesmanship and a breadth of view that augurs well for the future. They condemned the crimes of the government but they condemned also the outrages by the mob. Resolutions were passed demanding the recall of Lord Chelmsford and an impartial inquiry into the conduct of Sir Michael O'Dwyer, General Dyer and others responsible for the reign of terror. Though the reforms were characterized as inadequate, it was agreed to cooperate in working them. Finally the Congress declared for complete provincial autonomy, dyarchy in the Government of India and a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Declaration of Rights. In these resolutions the Moslem League, at a separate meeting, concurred.

A dramatic incident interrupted the sittings of the Congress —the arrival of the Ali brothers and of other political suspects who had been interned under *lettres de cachet.* They were welcomed with tears of joy and thankfulness. A statesmanlike order of the King—pleasantly described in the Anglo-Indian press as a stab in the back for the Viceroy by the Secretary of State—had procured the release of the great majority of these victims of despotic rule as well as the cancellation of numerous securities under the Press Act. Since the passing of this act in 1910, 350 presses and 300 newspapers have been penalized, 500 publications proscribed, security to the extent of over £40,000 demanded—think what that means in a poor country like India—whilst 200 presses and 130 newspapers have been prevented from starting. This order of the King has done much to appease Indian opinion, exasperated to a dangerous pitch by the Punjab atrocities and by official repression. It has smoothed the way for the reforms. But, as at the time of the American Stamp Act, England has relaxed her rule on the ground of expediency. The principle remains; the coercion acts have not been repealed. The Government still retains those tyrannical powers which it has used to its own dishonor and to the lasting injury of the Indian people.

So with a burst of sunshine ended the year 1919, a year memorable in India for the Punjab atrocities, the Reform Act and the Amritsar meeting of the Congress; memorable still more for the marvellous growth in Indian unity and Indian patriotism. Dissensions have broken out between the main or Nationalist Party and the Moderates, led by Mrs. Besant. The two parties differ chiefly in this, that, whereas the Nationalists denounce the reforms as inadequate and demand self-government as a matter of right, the Moderates hail them thankfully as a boon and are eager to cooperate with the officials. The latter have not been slow to meet these advances. On the important committee nominated to frame rules under the Reform Act no member of the Nationalist party, but only Moderates, have been appointed.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Apart from these dissensions the Khilafat agitation has illumined the growing sense of unity between Hindus and Mohammedans. The future of the Kalifa is a purely religious question; it interests, moves and inflames only the followers of Islam. Yet the Hindus have throughout sympathized deeply with their fellow citizens; they have supported them, helped them, indeed have acted almost as if it were a tenet of their own religion which was at stake. That is a fact for the wise to ponder. It is no longer possible to govern India, as Sir B. Fuller and others hoped, on the principle of *divide et imperâ*, to play off Mohammedan against Hindu. India is one.

The report of the Hunter Commission, the Dyer debates in the House of Commons, and still more the support of General Dyer by the great majority of the white population in India have had grave results. As by a lightning flash Indians have beheld the real mind of those who rule them and of their sympathizers in Britain. The report is looked on as so much whitewash. Confidence in British justice is weakened, faith in the goodwill of Simla destroyed, and a wall of hatred set up between the two races.

During the autumn of the year events in India have taken a new and ominous course. The breach of faith in the treaty imposed on Turkey, the failure to redress the Punjab outrages, the language used by many English both in India and England, and especially in the Houses of Parliament, concerning those outrages, the manifest intention of the Government of India in the rules framed under the act to retain as far as possible all power in the hands of the officials, together with the nomination of civilians to four out of the five new governorships and as presidents of all the councils—these facts have broken the faith of most Indians in British justice. This feeling Mr. Gandhi has crystallized in the non-cooperation movement, a movement similar in scope and aim to that of Sinn Fein in Ireland, but resolved to avoid scrupulously all acts of violence. The intention is to boycott not merely the new councils, but by a series of graduated measures, the British government itself, and, by rendering its rule impossible, to compel it to accede to the demands of the people. At a special meeting of the In-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dian National Congress held at Calcutta under the presidency of Lajpat Rai, Mr. Gandhi's motion was carried by a large majority on September 10. The speeches struck a sterner and more resolute note than any heretofore. At the moment of writing none can say how far the movement will go or what will be the result. One thing is certain. It is a decisive event in the history of India. By this revolution Indians have resolved to win their freedom not by the favor or with the assistance of the British government, but relying on themselves alone, their numbers, their organization, their self-sacrifice, their courage and their patriotism.

What of the future? Will the reforms work well in practice? Will they satisfy the Indian people? The omens are not good. Admittedly they do not content the great majority of organized opinion, nor is it very likely that their working will greatly assuage the heart-burnings and soften the bitterness so widely felt today. Much will depend on the governors. They are the keystone of the new edifice of political reform. If they side too much with the officials, if they flout or ignore popular opinion, feeling will again run high, and feeling in India must now be taken into account very seriously. Three hundred million human beings are politically awake and have begun to move. They may be guided, controlled by sympathy and statesmanship, but they cannot be checked without disaster. Will the great body of the Civil Service show a new mind and work the new constitution in a democratic spirit? It seems unlikely. Their whole training is not democratic but authoritarian. They turn their eyes to the past for precedents; they are blind to the warnings of the present and fearful of a future of self-government. Already Simla has given a hint of its intentions in the appointment of the Rules Committee. It intends to throw itself into the arms of the Moderates, to spurn the Nationalists who form the great majority of the Indian people. Still more significant is the budget for 1920–1. A year and a half after the end of the war the Government sets aside £40,000,000 out of a total of £90,500,000 for the army. It alleges the need for new equipment. But that is not the real reason. The real reason is that it fears the people and hopes

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to overawe them by artillery, tanks, aeroplanes and great munitions of war. Fear is the mainspring of the Government's policy. It is based on fear, inspired by fear, bound by fear. Is that the spirit which can meet the problems of modern India with any hope of success? It is the old bureaucratic spirit, the spirit of privilege and precedent and aloofness from popular wishes and hopes. No protestations, no "camouflage" will alter this essential fact.

Against this government of privilege, resting on bayonets, stand the embattled peoples of India, united, confident, inspired. For leaders they have statesmen of the first rank, such as Lajpat Rai, Patel, the Ali brothers and a host of others. India is at heart the most peaceful country on earth, and therefore the struggle will be peaceful. But struggle there will be. If a Labor Ministry succeeds the present Coalition (really Conservative) Government in England, the conflict will be short. Otherwise it may linger on through years of agitation, disaffection, compromise and growing popular power. The end is certain.

BERNARD HOUGHTON.

HASTINGS, ENGLAND.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

COAL NATIONALIZATION IN ENGLAND

SINCE the year 1842, when the Children's Employment Commission on Mines and Collieries disclosed the intolerable conditions under which Great Britain obtained its chief source of energy, there has been, in one form or other, a "coal question" before the British public; and from those days when the Earl of Shaftesbury, then Lord Ashley, initiated the first progressive Coal Mines Act down to the present, this question has been the subject of a series of parliamentary reforms which stand as conspicuous milestones in the history of British legislation.

The two elements of the industry—coal and the coal miner—occupy strategic positions. Coal is the prime mover in the industrial processes, the basis of national economy, vital to shipping and of first importance as an export commodity. These were the facts which made Jevons's inquiry into the country's coal resources all the more significant as the century developed. This rich but wasting asset must be conserved rather than exploited.

The coal miner has been the outstanding figure in British trade-unionism. His achievements are written large in its history. Out of the pioneer associations of the forties and fifties and the succeeding decades of the last century, there finally emerged the Miners Federation of Great Britain, whose structure, leaders and aims were to make it the vanguard of the British labor movement. The first labor member in the House of Commons was Alexander McDonald, a Scotch miner, who spread the evangel of an eight-hour day and a collective bargain and secured for his fellows the benefit of a checkweighing system by act of Parliament. McDonald was the prototype of the union leader, the forerunner of men like Smillie, Clynes and Thomas. The task of reform had, on the extension of the franchise and the full recognition of unions, passed from the hands of the benevolent upper class to the workers themselves, and the struggle to obtain a minimum wage, a legal day and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

proper safeguards in the industry was carried on in Parliament and out by the Miners Federation. It was in the contests from the early eighties up to the outbreak of the war that the Federation developed a keen fighting edge, produced its present generals and conceived new principles of strategy which aimed at changing the entire structure of the mining industry. The last shot, it may be said, was the demand in 1912 for an act of Parliament nationalizing mines and minerals; and the acute strike of that year was to serve throughout the war as a reminder that the immediate problem when peace came would be that of coal.

War had the effect of suspending trade-union practices and of placing coal, along with other essentials, under rigid control. Miners were urged to stay at their jobs and speed up production. Fuel for factories, railroads and ships, working at high pressure, became the underlying necessity in a war of attrition which in various phases turned successively on munitions, ships and finally on man power. While the struggle continued there could be no normal extension of Federation policies; but although they were in abeyance for four years, they were unmistakably strengthened and influenced by the experiences of the industry during that period.

During the war projects of reconstruction were outlined, and a Ministry of Reconstruction was set up in order to be prepared for impending problems of peace. However deficient the ministry was in its actual plans, the idea of reconstruction on which it had been erected was accepted literally and spread throughout the country. The word conveyed a message of hope for better days to come and was taken to be the solvent by which industrial diseases would speedily be cured. The war ended, and the serious work of peace was formally begun. It was then that the true task of reconstruction became apparent. Getting back simply to a "peace-time footing" involved for capital the withdrawal of government control of private enterprise and for labor the restoration of trade-union practices. But reconstruction meant much more than a return to 1914. To reconstruct meant to take a step forward, and some sections of the public with whom the word had become current

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

perceived that they were speaking of reconstruction and thinking of readjustment.

When the miners at the Southport Conference in January, 1919, demanded, in conjunction with a 30 per cent wage increase and a six-hour day, the nationalization of mines, and when they insisted upon workers' participation in the control of the industry, they advanced from their position of 1912 to new ground and thereupon created the major issue of reconstruction. The Government promptly countered with an offer of a shilling a day increase and the promise to undertake an inquiry. The miners, refusing a compromise, stood firm and called a second conference to ballot on a strike to enforce their demands. This critical situation was met by Mr. Lloyd George's pledge to secure a royal commission, which was carried out forthwith. In the shaping of this body the Federation played an important part. It obtained the right to nominate four of the thirteen commissioners and, moreover, to approve the Government nominees. The results of the Federation's influence upon the composition of the commission are to be measured by the nature of its reports and by the evidence. Representing the miners were Robert Smillie, Frank Hodges, Herbert Smith and Sir Leo Chiozza Money. The two Government members approved by the Federation were Sidney Webb and R. H. Tawney. The collective equipment of these men, including as it did the wide experience and sagacity of Smillie, Hodges and Smith, the precise and ready knowledge of Sir Leo Money and the finely tempered minds of Messrs. Webb and Tawney, weighed heavily in the balance.

In the act constituting the commission it was set forth that the inquiry would be particularly concerned with "the wages and hours of work in the various grades of colliery workers, and whether, and, if so, to what extent, and by what method, such wages should be increased and hours reduced, regard being had to a reasonable standard of living amongst the colliery workers, and to the effect of such changes on the economic life of the country", and also with "the cost of production and distribution in the coal industry . . . and the general organization of the coalfield and the industry as a whole." The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

social conditions under which the miners work were to be investigated; and as to changes in the conduct of the industry the commission was empowered to examine "any scheme that may be submitted to or formulated by the Commissioners for the future organization of the industry, whether on the present basis, or on the basis of joint control, nationalization, or any other basis." It was authorized to consider "the effect of the present incidence of, and practice in regard to, mining royalties and way-leaves upon the coal industry, and the cost of coal, and whether any and what changes in these respects are desirable." Finally, it was to be determined what the effect of these proposals would be upon the development of the coal industry and the economic life of the country.

With the prospect of a miners' strike threatening the country, the question of a wage increase, an admitted necessity, and also a reduction in working hours, demanded immediate consideration. The first stage of the inquiry dealt principally, therefore, with wages and hours and the ability of the coal industry to absorb new charges. Recommendations contained in the Interim Report of Justice Sankey, chairman of the commission, were submitted to Parliament, calling for an amendment to the so-called Eight Hours Act of 1908, which would reduce by two steps the working hours, first, by changing as from July, 1919, from eight to seven, and secondly, if the economic position of the industry warranted it, by reducing further to a six-hour day in July, 1921. Instead of a percentage increase in wages, as asked by the miners, the chairman recommended an advance of two shillings per shift. These recommendations, known as the Sankey Award, were passed by Parliament in August, 1919.

With respect to the larger issue of nationalization the chairman's Interim Report sounded the warning note that "even upon the evidence already given, the present system of ownership and working in the coal industry stands condemned, and some other system must be substituted for it, either nationalisation, or a method of unification by national purchase and / or by joint control." To this was added a vigorous attack upon the existing "extravagant and wasteful system of individual

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ownership of collieries" in a separate report signed by the miners' representatives together with Mr. Webb and Mr. Tawney.

But although the evidence had shown clearly enough that private ownership and exploitation of coal, diffused among 4000 royalty owners and 1500 operators, was accompanied by inefficiency in production and distribution, the application of a remedy to cure such ills must, of necessity, involve an experiment, the effects of which could hardly be foretold. Professor A. C. Pigou, giving evidence on nationalization, pointed out that "when an existing method of running an industry is up for trial as against a proposed new method, there is a tendency to exaggerate the advantages of change because the defects of the existing method are demonstrable and those of the proposed method are not. The existing method, in practice, comes to be contrasted with the proposed method in ideal. But the proposed method, whatever it is, when applied, is certain also to involve a great deal of friction and waste. Evidence of inefficiency in the present system is, of course, pro tanto an argument for change, but it is not a decisive argument."

Aside, however, from the theoretical considerations of the problem, is the inability of the existing system to utilize fully the material and human factors in the industry; and for the mine operators to admit the necessity of better methods in obtaining coal, without considering the demands of the miners for an active share of control, was to ignore the new concept of the wage earner, founded upon the principle of an organic relation to his work much closer than the "cash nexus". Justice Sankey in his report recommending state ownership interprets this relation: "Half a century of education has produced in the workers in the coalfields far more than a desire for the material advantages of higher wages and shorter hours. They have now in many cases, and to an ever-increasing extent, a higher ambition of taking their due share and interest in the direction of the industry to the success of which they, too, are contributing." This is the fundamental reason for creating a new industrial partnership, the plan of which is the central feature of the Sankey Report.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The evidence on nationalization sufficiently attests the demerits of any scheme for the creation of a private monopoly or of a system of bureaucratic control. Mr. Harold Cox's indictment of a state ownership which lays on business "the dead hand of bureaucracy" is expressive enough. The problem of reconstituting the industry under a single authority, apart from the consideration of the function of the workers, encounters natural obstacles, for the British coal industry is not centered in one or two great fields, nor are the units very large. Twelve of the biggest collieries in England and Wales furnish less than one-twelfth of the country's output. To accomplish integration under these conditions would, therefore, be impracticable. This does not, however, preclude the possibility of introducing on a wide scale more efficient methods of mining and of distributing the coal, which have previously been limited by the conditions of individual ownership. According to the evidence of Sir Richard Redmayne, Chief Inspector of Mines and in many respects the most important witness in the inquiry, a number of economies can be realized that will effect an increased output, a better distribution and a greater saving in the use of coal. It is worth while indicating these in detail, for they form in the aggregate a powerful argument in favor of a more progressive policy of getting and using coal.

In the first place, the reduction of avoidable absenteeism will make possible an increase in production. The practice among miners of "laying off" has been a marked phenomenon of the industry and has a measurable effect upon output. In 1905 it affected 7.1 per cent of the total force, but it has, however, gradually lessened. In 1915 it was estimated by the Coal Controller that voluntary absences affected 4.9 per cent of the workers. Reporting in May of the same year, the Coal Mining Organization Committee stated that an increase of 14 million tons per annum might be possible were this practice minimized.

Secondly, better means of conveyance of miners to and from work will enable the men to spend more time in actually getting coal. Technical improvements in the drawing of coal to the surface are also capable of application. The charge that private ownership has failed to make full use of coal-cutting machines

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is, of course, extenuated by the fact that in many mines geological conditions are unfavorable to their employment. Coal seams are thin, and moreover in a number of fields the stuff is too frangible to permit machine mining. Mechanical cutters, according to Sir Richard Redmayne, can be increasingly used in certain districts, but the British industry cannot be transformed by machines in the manner of the American bituminous fields. Comparisons of output which show that the American bituminous miner produces 800 tons a year to the British miner's 263 tons have no reference to superior labor.

In two other respects Sir Richard's evidence points the way toward increased output. Small coal to the extent of two and a quarter million tons is annually left underground as being commercially unfit. With proper facilities this residue could be made into briquettes. As yet the manufacture of patent fuel has received little attention. The second and more important recovery concerns the coal left as barriers between different properties. A Mining Sub-Committee in 1918 reported that from 3500 to 4000 million tons were contained in property boundaries. This is one of the prospective resources which a system of nationalization will be able to tap.

The distribution of coal suffers all the handicaps of a chaotic transport system, rendered more chaotic during the war. A lack of standardized rolling-stock, together with the fact that a large proportion of the coal cars in Great Britain are privately owned, has defeated any attempts to secure efficient despatch. District traffic pools of railway-owned equipment have been moderately successful, but a complete organization cannot be achieved until the railroads themselves have been unified.

The lesson of economy must be learned not only by the producers but also by the consumers, and what the Coal Conservation Committee after a careful survey has to say of fuel consumption indicates that ultimate saving of coal can be accomplished. In its report of 1917, this committee, to quote the evidence of Sir Richard Redmayne, found "that the coal consumption involved in production of motive power was 80 million tons per annum," and that, if power supply in the United Kingdom were dealt with on comprehensive lines, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

advantage taken of the most modern engineering development, "the saving in coal throughout the country would, in the near future, amount to 55 million tons per annum on the present output of manufactured products". Since that report was made the Government has included in its program of reconstruction a plan to consider the creation of great central power stations for generating and distributing electrical energy. The economy hoped for by the conservation committee would, by this means, be more nearly assured; though nothing short of nationalization of coal—the basic factor—will, it seems, suffice to guarantee such an undertaking.

The conduct of the coal industry considered in its many aspects, as a leading problem of labor, of production, and as an underlying element in the national economy, thus becomes an issue, the outcome of which will prefigure the character of British reconstruction policies. Justice Sankey's scheme of state ownership and local administration of the coal mines has been approved in substance by the miners' side of the commission along with Mr. Tawney and Mr. Webb. The dissenting report of the colliery owners' group, although opposed to joint control save through functional "pit committees", accepts the principle of state ownership. Sir Arthur Duckham reported singly in favor of the state acquiring mineral rights which are to be exploited by district coal boards, private combinations of all mining interests in each area, governed by a board of directors of seven, two of whom will be elected by the workers and one by the management. Conciliation boards and pit committees of conventional type are included in the Duckham plan. These district coal boards operate under a government guarantee of a four per cent return on capital.

The structure of the Sankey scheme for the operation of the mines is tripartite; it provides for local, district and national mining councils. A Minister of Mines, appointed by the Government and responsible to Parliament, and a National Mining Council, drawn from the district councils, represent the central body and as such exercise advisory functions. The district council is the real organ of administration of the industry. By its delegation of powers it animates the local council and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

through its members on the National Council links all three and is thus the active and predominant partner in the enterprise. For the purposes of the district councils the country is divided into fourteen regions nearly coextensive with the mining areas. The entire task of extracting and distributing coal in each of these areas is to be assumed by the district councils, which shall also undertake pioneer work in new and proven fields, regulate output, control prices and determine the basis of wage assessments. Technical and commercial managers are to be appointed by the councils; and by means of a commercial committee the product will be marketed.

The members of a district council number fourteen and include a chairman and vice-chairman appointed by the Minister of Mines. Eight members are appointed by the National Mining Council in the following manner: four to represent consumers, with special reference to the important industries in the district, and two to represent the technical and two the commercial interests of the mines. The workers are to be represented by four members duly elected by ballot. The local mining council has ten members, six of whom, including the three mine managers, are appointed by the district council. The remaining four members are elected by the workers.

The Sankey scheme provides that wage contracts are to contain an agreement binding the workmen to refrain from serving notice or combining to cease work until the disputed question has been before the councils. The report signed by Mr. Smillie and his colleagues objects to this. It is regarded by the miners as an abridgment by statute of an inherent right.

Of the Sankey scheme as it stands there are certain criticisms to be made. Nominally the responsible Minister of Mines possesses the power of superintendence and can exercise a veto, but such is the distribution of authority that the district councils are in themselves practically autonomous bodies whose direct influence upon the industry it will be difficult for the minister to modify. Local control in this case does remove the industry from the vitiating effects of bureaucracy, yet, by the same token, the status of the minister responsible to Parliament is rendered somewhat dubious. In another sense the district

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

councils, by their composition, offer ground for debate. Representation by function, it will be seen, creates, in each district, interests of producers and consumers—miners and managers on the one hand and various classes of coal users on the other. Of these groups, the miners by their existing Federation and by their more clearly defined policies, will constitute the most powerful single interest in the industry, and as the scheme evolves, it is conceivable that they may become the predominant factor, linking district with district by means of common purpose and developing an aggregate strength that could, were it so employed, impair the very important interests of the consumers.

But the use of this power cannot be foretold. Given nationalization with joint control, the miners may create a new type of stewardship which, properly rewarded, will enrich the industry. The Federation has realized the power of education and its application to industrial problems, and it is by no means a remote possibility that under nationalization it may subsequently furnish technical and commercial experts as well as diggers of coal. In the presentation of their evidence and in cross examination the miners displayed a clear understanding of the industry, its technique, its economic arrangements and its relation to the larger problems of national welfare, in a degree that fully warranted what Justice Sankey set down in his report as a reason for state ownership. Their case was not overdrawn; they wisely chose in almost every instance to depend upon well marshalled facts, succinctly stated, rather than rhetorical attacks against vague "evils" of the "existing order". What they themselves contributed, and what so many distinguished minds contributed, to the inquiry settled the verdict if not the precise terms.

The epilogue remains to be written. Meanwhile the coal question has passed from investigation to legislation. A twelvemonth of waiting and indecision finds the Government half committed to something which is but a faint shadow of reconstruction. If there has been any sign, it is that the present Ministry, habituated to compromise, looks approvingly on Sir Arthur Duckham's plan as the middle course by which to reach state

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ownership and yet preserve the fabric of private enterprise. The miners and the whole body of trade unionists, on the other hand, make it clear by their unswerving attitude that industrial peace will not be attained by anything less than the substance of Justice Sankey's recommendations. And industrial peace, which to the miners is summed up in nationalization, is the only way to restore the coal mines to their pre-war level of productivity. This interregnum, coming as it does in a period when full capacity in industry is so urgently required to replenish Europe, only increases the dislocation; and a declining output of coal, the basic material of British economy, is a peril that cannot be ignored.

The issue of nationalization is transcendent, because it not only embodies democratic principles but also contains the solution of the problem of production, of the workman's loyalty to the industry. In the view of the Miners Federation the acute difficulties which beset the country will not be overcome by temporizing. The growing pressure of prices upon wage earners must be checked by other means than recurrent increases in wages. These are mere palliatives, involving the country in fresh difficulties and multiplying rather than mitigating the problems of peace. Addressing a recent Trades Union Congress Mr. Frank Hodges declared anew the principle by which the miners seek to inaugurate the era of reconstruction. "If", said he, "there is not to be any great movement for nationalisation, where do you thrust the miners to? Into the vortex where all of you appear to be swimming. Wages, wages, wages! An endless and futile race after prices instead of tackling fundamentally the whole problem of the relation of capital to production."

H. McB. Hart.

New York City.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE MOBILITY OF INDUSTRIAL LABOR

The Problem

INDUSTRIAL labor is and should be mobile. Lack of mobility might mean the thwarting of the best hopes and prospects of the workman and his family. On the other hand, bad working conditions or petty differences with a foreman ought not to operate to make an unstable worker out of a stable one. Mobility of labor resulting from such conditions is a serious evil and should be done away with—by improvement of working conditions, by clipping the wings of the petty boss and by whatever other remedies may be called for. It is recognized, then, in dealing with this problem, that some shifting of labor from shop to shop and from city to city is normal and even desirable. It is a result partly of the normal expansion and contraction of industrial activity, partly of the voluntary shifting by the worker for the benefit of himself or of his family. In considering the question of labor mobility interest attaches, therefore, not only to its general extent but more specifically to whatever part of it may be regarded as abnormal and unnecessary. It is essential to know the nature and extent of labor instability, the various factors which are likely to increase or diminish its volume, and whether any employment methods have been or can be devised which will make it possible to reduce labor instability to such a limit that maximum production may be attained at minimum cost and to the mutual advantage of employer and employee.

A brief consideration of labor instability will show that it is generally the consequence of (1) seasonal, cyclical and other fluctuations in industrial activity, which result in varying amounts of employment available to the job seeker, (2) individual or collective dissatisfaction with the conditions of employment and (3) the dissatisfaction of employers with the services of some of their employees. In its relation to employer and employee labor instability becomes a more or less

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

personal question and presents itself essentially in two aspects, depending upon whether it is the employee or employer who is concerned. To the individual workman, change of job may mean either gain or loss. In prosperous times, when jobs are numerous and attractive, a change may represent an actual gain to the worker. Even if there is no gain, there could scarcely be a loss, since in a rising market jobs are likely to be awaiting the employee, and even at the worst the period of unemployment between jobs is likely to be relatively short. In periods of depression the labor-mobility problem as it relates to the individual employee is a problem of unemployment and irregular employment, the employee becoming the unwilling sufferer in the matter and less commonly the willing cause of instability. The individual employer, however, is chiefly interested in the maintenance of a stable work force; he regards excessively numerous terminations of employment and, especially, voluntary and more or less avoidable separations as a serious obstacle to efficient and continuous operation. He is also very much concerned with the great expense to which he is put because of the excessive labor replacement required for the maintenance of his normal work force.

In this article the problem of labor instability is considered primarily from the standpoint of the individual establishment, not because the point of view of the individual workman is less deserving of consideration, but because the data necessary for the study of this subject were readily available only in the records of those establishments which had made serious attempts to cope with the problem of instability. Looked at from their standpoint it becomes a matter of the first importance to know where to draw the line between abnormal and avoidable labor changes and those changes which are the result of purely external causes inherent in the industrial situation,—causes over which the employer cannot exercise any effective control. Labor instability may be regarded as excessive and as pointing to maladjustment or mismanagement when its volume is in any considerable excess of its volume in the more progressive concerns which have succeeded in reducing it considerably, and more especially when its volume is in excess of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that common to the particular industry in the same locality at any given time. Conversely, those firms which have a stability record considerably higher than that which commonly prevails in the industry are generally those which have successfully worked out certain definite labor and employment policies.[1]

It is the purpose of the present article to show (1) the general extent of labor mobility in industrial establishments in the United States from 1910 to 1920, (2) the relative extent of labor mobility in the various industries and localities and in different subdivisions of the work force and (3) the relative stability of the work force in those establishments which have been noticeably successful in dealing with the problem of labor instability as compared with the labor instability prevailing in the general run of industrial establishments.[2]

[1] As already intimated, a degree of instability which is common and perhaps quite normal and necessary for one industry would be excessive for another. However, if two establishments in the same locality, of approximately equal size, employing about the same type of worker and engaged in turning out the same product, differ widely in the extent of their labor instability during identical periods of time, this difference usually indicates that the concern whose labor stability is normal, or more nearly normal, is either pursuing a more advanced labor policy, or that its labor conditions (wages, hours, living conditions *etc.*) are better, or that both of these conditions exist. In other words, excessive labor instability is likely to be the result of labor mismanagement, low wages, unsanitary working conditions, inferior or inadequate housing and transportation facilities *etc.* The frequency of the labor changes, then, is a valuable index of the extent of labor unrest in an establishment and a valuable measure of the effectiveness of the establishment's labor and employment policy.

[2] In order to give adequate consideration to the various problems involved in labor instability as it affects different industries in the United States, and more particularly to devise methods for its reduction, it will be necessary to have more detailed and extensive information than has hitherto been available. Fortunately, during the last decade a number of progressive firms have given rather close study to the whole problem of labor instability. They have made extensive experiments in labor management with a view to stabilizing the work force and have achieved a measure of success. It is especially these firms which have accumulated records sufficiently extensive to show both the magnitude and the intricacies of the problem and which will permit of a test of the effectiveness of particular labor policies and methods of employment. It is upon data from such establishments that the analytical and descriptive matter of this article is very largely based.

The figures presented in the following pages are taken from a preliminary report by the present writers on the "Mobility of Labor in American Industry", published in the June, 1920, issue of *The Monthly Labor Review* of the United States

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Measurement of Labor Mobility

Any adequate comparison of the experience of different establishments in dealing with labor instability or any clear presentation of the relative extent of that instability in different plants makes a uniform standard of measurement necessary. The complex problem of labor instability cannot be dealt with adequately or presented clearly by reference to "labor turnover", a phrase which has hitherto been used loosely in discussing labor instability generally. The use of the word "turnover" in any exact sense necessitates the assignment to it of a precise and definite meaning. This has, so far, never been done. Indeed, the different ways in which the phrase "labor turnover" is interpreted and used are distressingly numerous. To make it easier to understand the method of measuring labor mobility used in this article it may be well to clear the ground by referring briefly to three aspects of labor mobility with which the phrase "labor turnover" has been hitherto identified. These are: (1) the number of employees hired (accessions), (2) the number leaving (separations) and (3) the number of replacements[1] required to keep up the work force.

Bureau of Labor Statistics. This report presents the outstanding results of extended field investigations made for the Bureau by the authors of this article and other members of its staff.

It is not claimed that the figures are necessarily and in all cases representative of American industry as a whole. It is realized that because of the relatively small number of establishments studied the various mobility rates shown must be regarded as merely indicative of the general mobility situation at any given time. But, whatever may be the limitations of the figures for the measurement of the amount of labor mobility at any particular time, they may be used with entire confidence in gauging the trend in mobility from season to season and from year to year. The representative character of the rates shown in these pages is further attested by the fact that these rates, as expressions of particular phases of the labor situation at stated periods, conform very closely to industrial facts generally, as those facts are reflected in other industrial phenomena, such as accidents, unemployment and so forth. The writers desire to take this opportunity to thank Mr. Royal Meeker, formerly Commissioner of Labor Statistics, Mr. H. L. Amiss, Editor of *The Monthly Labor Review*, Mr. Lucian W. Chaney, of the staff of the Bureau of Labor Statistics, and Mr. Boris Emmet, formerly of the staff of the same Bureau, for their helpful criticism and advice.

[1] That is to say, the number of separating employees who have to be (and actually are) replaced.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The United States Bureau of Labor Statistics at first applied "turnover" to replacements.[1] Later it identified "turnover" with separations and continued to do so for a time.[2] Among private organizations the term is used in each of the three senses indicated above. It is evident that neither accessions, separations nor replacements, when used alone, adequately takes into account the constantly varying factors inherent in the industrial situation.

In regard to the base upon which the amount of labor instability is to be computed the situation also leaves much to be desired. The "number-on-pay-roll" basis, which has been most commonly used, is patently defective because of the varying number of "dead" employees included, that is, employees absent at first, who eventually separate from service but are likely to be carried on the pay-roll for varying periods of time after they have ceased to be active employees. A base subsequently recommended for use and one which more nearly approaches a true standard is the average daily work force. But it was found that even this base was hardly adequate for comparative purposes because of the widely varying length in the work day in different establishments, industries and cities.

For the purpose of measuring labor mobility the phrase "labor turnover" should obviously be given whichever one of the current interpretations appears to have the greatest practical utility. On these grounds it seems best to use the term "labor turnover" in one sense and only one, and that is as meaning the extent of shift and replacement necessary for maintenance of force. This aspect of the matter is the one

[1] "Street Railway Employment in the United States", Bureau of Labor Statistics, *Bulletin* 204, pp. 193–203.

[2] See articles on labor turnover in the *Monthly Labor Review* for October, 1918, and January, February and March, 1919. It is in the sense of separations that "turnover" has been used most commonly. This interpretation has been authoritatively expressed in the formula adopted by the National Association of Employment Managers, now the Industrial Relations Association of America. See "Standard Definition of Labor Turnover and Method of Computing Percentage of Labor Turnover", formulated by a special committee at the Rochester Conference of Employment Managers, Rochester, N. Y., May, 1918. This "standard definition" is given in full in the *Monthly Review* of the Bureau of Labor Statistics for June, 1918, pp. 172–173.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with which employers of labor are most intimately concerned. However, for use in reference to the larger aspect of the flow of industrial workers into and out of industrial establishments, of which labor turnover or replacement is only one phase, a more inclusive term is necessary. It seems that the phrase "labor mobility" best serves this more general purpose, and it is accordingly so used in this paper.[1] Those hired are referred to as "accessions". Those leaving service, under whatever circumstances, are referred to as "separations". Whichever one of these two items—accessions or separations—is the smaller, may conveniently be taken as measuring the number of "replacements". The total number of labor changes—that is to say, the sum of accessions and separations—is the "labor flux". The amount by which the accessions in an expanding business are in excess of the separations is the amount of "labor increase". The amount by which the separations in a plant which is curtailing operations exceed the accessions is the amount of "labor decrease".[2]

As the base or standard work force to which the number of labor changes (the number of replacements, accessions *etc.*) must be compared in order to show the frequency or rate of change, use is made in this article of the aggregate number of hours actually worked by all employees. This is a genuine standard base, inasmuch as it accurately represents the volume of employment or the amount of industrial exposure. This base at once eliminates all inflation due to "dead" and "broken-time" names on the pay-roll, putting establishments with varying amounts of employment on a par and thus making possible the strictest comparability.[3]

[1] The expression "labor mobility" connotes movement. From the employers' standpoint it will sometimes be convenient to refer to this condition as "instability" or even to use the word "stability"—where that word seems to be appropriate.

[2] The relations between accessions, separations, replacements and flux may be seen from the tabular presentation in Table I.

[3] In the earlier studies of labor turnover made by the Bureau of Labor Statistics the average daily work force was first used as a base but was later changed to the full-year, or 3000-hour, worker. Finally, it was decided to use the unit labor hour or some decimal multiple thereof.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The exact method of measuring labor mobility used in this article may be briefly outlined as follows: The general extent of labor mobility is determined statistically by comparing the total movement of labor in and out (accessions and separations) during any given period with the number of labor hours put in by the work force during that period. This flux or total labor-change rate is believed to be the best single index figure to use in showing the general situation with respect to stability in any plant or group of plants and in subdivisions within individual establishments. The flux rate is made up of the accession rate and the separation rate. The two latter rates should be shown separately in order to reveal the whole stability situation. The rate of replacement or "turnover", which means the rate at which separating employees whose places must be filled are replaced by others, may be, for all practical purposes, defined as the rate of separation when that rate is lower than the accession rate and as the rate of accession when that rate is lower than the separation rate. Furthermore, the separation rate should be subdivided so as to show the relative responsibility of "discharges", "lay-offs" and "quits" for the total labor out-flow. The more important mobility rates may be classified as follows:

Labor mobility rates { { accession (hiring) rate; { quitting rate; discharge rate; lay-off rate } separation rate } flux rate; replacement (or "turnover") rate }

In the present article these different mobility rates are shown, with one or two exceptions, as rates per 10,000 labor hours.[1] For illustration: The figures in Table I show that during the year ending May 31, 1918, the sum total of accessions and separations for the 176 establishments reported was 1,244,640, of which number 631,173 were accessions and 613,467 were separations. The number of labor hours worked in these plants during this period was 917,703,000. Consequently,

[1] So far as the 10,000 labor hours base is concerned, this is essentially the method which has recently been adopted by the Bureau of Labor Statistics for the computation of industrial accident frequency and severity rates. (For details see *Monthly Labor Review*, January, 1920, pp. 218–19.)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the FLUX rate (per 10,000 labor hours) is . . . . $\frac{1,244,640}{917,703,000} \times 10,000 = 13.6$

the ACCESSION rate is . . . . . $\frac{631,173}{917,703,000} \times 10,000 = 6.9$

and the SEPARATION[1] rate . . . . . $\frac{613,467}{917,703,000} \times 10,000 = 6.7$

The rates for any departmental, occupational or other subdivision of the work force should be computed in a similar way. Thus, for example, to get the accession rate for a particular department or occupation, divide the number hired during the period covered by the number of labor hours worked in the same group. The relation between the three principal methods which have been used hitherto in labor-turnover computation is shown in the following tabulation:

COMPARISON OF THREE METHODS OF MEASURING LABOR MOBILITY

	Accession	Separation	Labor flux
	(1) Rate per 10,000 labor hours		
1913–14	3.1	3.3	6.4
1917–18	6.9	6.7	13.6
	(2) Rate per full-year (3000-hour) worker		
1913–14	0.9	1.0	1.9
1917–18	2.1	2.0	4.1
	(3) "Percentage of turnover" (Rochester method)		
1913–14	. . .	100	. . .
1917–18	. . .	200	. . .

A separation rate of 1.0 per full-year (3000-hour) worker, as the Bureau of Labor Statistics has lately computed mobility rates, or a separation rate (called, in the Rochester method, "percentage of turnover") of 100 per hundred on the work force, as the Bureau formerly computed "turnover", are both equivalent to a separation rate of 3.3 per unit of 10,000 labor hours as used in this article. Similarly, an accession rate of

[1] It is evident, in this particular example, that the separation rate, being lower than the accession rate, must also be the replacement rate.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

3.3 (per 10,000 labor hours) is the same as an accession rate per full-year worker of 1.0. Assuming that the accession and separation rates are both 3.3, the flux rate on the new basis explained above would be 6.6, which is the same as a flux rate of 2.0 per full-year worker. Such a rate indicates that during the period under observation as many persons left and as many were hired as there were full-year workers employed. When the accession and separation rates in any establishment both stand at or close to 3.3, thus giving a flux rate of 6.6, the situation in that plant is one equivalent to a complete over-turn of the work force. But this flux rate of 6.6, which indicates the turnover of the entire work force, may actually represent three distinctly different industrial situations, the revelation of which is one of the useful functions of accession and separation rates: (1) accessions 3.3, separations 3.3: a going concern, which is neither expanding nor curtailing its operations; (2) accessions 4.4, separations 2.2: a concern which is undergoing more or less rapid extension of plant; (3) accessions 2.2, separations 4.4: a concern which is curtailing activities. One or another of these three different situations is involved in every rate of total labor change, whether it be in a very stable plant with a flux rate of 3.0 or a very unstable one with a flux rate of 12.0.[1]

[1] The fact should be emphasized that the primary object in gauging the extent of labor mobility is to ascertain the number of labor changes involved in the maintenance (and the necessary expansion or reduction) of the labor force. The number of different individuals involved in these changes is of less importance here than the number of repeated transactions. The computation method here used indicates the number of changes which take place, but it obviously involves double counting and does not, therefore, furnish a true report of the number of different persons involved in the labor shiftings. The accession rate reported for a single concern is sure to include some employees who have been hired more than once during the period covered by the figures. The same is true of the separation rate and the flux rate. The figures for a group of establishments may also contain the accessions of certain employees whose separations are included, as they should be, in the separation figures for the same group. It is important to observe that this double counting does not affect the accuracy of figures designed to show merely repeated transactions. Moreover, since the concerns here reporting are widely scattered geographically and well distributed as to industry, there would not be likely to be many employees shifting from job to job within the group of firms reported. That is to say, when a worker left one of these plants the chances would be heavily against his being taken on by one of the other firms in this small group. But if he is so taken on, he is rightly to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Extent of Labor Mobility

The enormous proportions that labor mobility may assume will be appreciated from an examination of Table I, where the combined figures for the years 1910 to 1919 show that the accomplishment in the establishments reporting of 6,353,046,000 hours of work, which is labor time equivalent to that of 2,117,682 full-year (3000-hour) workers, entailed 2,564,037 accessions and 2,481,280 separations, or a total of 5,045,317 labor changes. In other words, on the average, for each year of the decade, 256,404 accessions, 248,128 separations, or a total of 504,532 labor changes, were involved in the maintenance and the necessary enlargement or curtailment of a labor force of 211,768 workers. This means that the maintenance and the necessary expansion or curtailment of the requisite work force involved labor changes considerably more than equivalent to a complete annual overturn of the work force. This is as if during one year all the employees had left their jobs, and a new set of work people had taken their places. It appears, then, that for each year, on the average, the number of persons leaving, whether they quit, were laid off or were discharged, as well as the number who had to be hired, was much larger than the total number of workers on the force at any one time.

Bearing in mind the fact that a flux rate of 6.6 represents a complete overturn of force, we see from an examination of the rate figures of Table I that in six of the ten calendar years represented the number of labor changes in the plants report-

be counted twice, since he has made two labor changes. For more detailed treatment of this widely discussed problem of the measurement of labor turnover see: "Computing Labor Turnover: a Questionnaire", *Industrial Management*, vol. 56, pp. 239–246 (September, 1918); Doten, Carroll W., "Computing Labor Turnover", *Industrial Management*, vol. 56, p. 339 (October, 1918); Emmet, Boris, "The Nature and Computation of Labor Turnover", *Journal of Political Economy*, vol. 27, pp. 105–116 (February, 1919); Crum, F. S., "How to Figure Labor Turnover", *Quarterly Publications of the American Statistical Association*, vol. 16, pp. 361–373 (June, 1919); Douglas, Paul H., "Note on Methods of Computing Labor Turnover", *American Economic Review*, vol. 9, pp. 402–405 (June, 1919); Slichter, S. H., "The Scope and Nature of the Labor Turnover Problem", *Quarterly Journal of Economics*, vol. 34, pp. 329–345 (February, 1920); and Brissenden, P. F., "The Measurement of Labor Mobility", *Journal of Political Economy*, vol. 28, pp. 441–476 (June, 1920).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE I

LABOR MOBILITY, BY YEARS, 1910–1919

[Replacement (or "turnover") numbers and rates are marked by asterisks (*)]

Year	Number of establishments	Number of workers[1]	Total labor hours (thousands)	Labor changes		
				Accessions	Separations	Total (Flux)
	Number					
1910	16	85,263	255,789	90,408	86,179*	176,587
1911	24	109,653	328,959	94,029*	96,915*	190,944
1912	54	188,363	565,089	210,085	182,287*	392,372
1913	113	399,449	1,198,347	541,746	535,118*	1,076,864
1913–14[2]	84	244,814	734,442	227,008*	243,707	470,715
1914	162	373,287	1,119,861	300,121*	326,755	626,876
1915	51	159,054	477,162	122,211	99,734*	221,945
1916	20	94,803	284,409	131,300	101,102*	232,402
1917	27	58,052	174,156	79,287	74,917*	154,204
1917–18[2]	176	305,901	917,703	631,173	613,467*	1,244,640
1918	29	56,411	169,233	97,918	84,999*	182,917
1919	19	42,632	127,896	38,751	36,100*	74,851
Total		2,117,682	6,353,046	2,564,037	2,481,280*	5,045,317
	Rate per 10,000 labor hours[3]					
1910				3.5	3.4*	6.9
1911				2.9*	2.9*	5.8
1912				3.7	3.2*	6.9
1913				4.5*	4.5*	9.0
1913–14[2]				3.1*	3.3	6.4
1914				2.7*	2.9	5.6
1915				2.6	2.1*	4.7
1916				4.6	3.6*	8.2
1917				4.6	4.3*	8.9
1917–18[2]				6.9	6.7*	13.6
1918				5.8	5.0*	10.8
1919				3.0	2.8*	5.8
Total				4.0	3.9*	7.9

[1] The figures in column headed "Number of workers" in this and following Tables in this article are obtained by dividing the total labor hours by 3000. These figures are given simply to indicate the approximate size of the work force to make it possible directly to compare the absolute number of labor changes with the number of employees in the work force.

[2] The figures given for 1913–14 and 1917–18 are from establishments reporting in great detail during the two field investigations of this subject made by the Bureau of Labor Statistics in 1914 and 1918. The time covered by the statistical data from these establishments is a 12-month period ending usually, about the middle of 1914 and 1918, respectively. This applies to the material shown for these dates throughout this article.

[3] Computed, as already explained, by dividing number of labor changes by the total number of labor hours and multiplying by 10,000.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing has been more than equivalent to a complete overturn of the work force; that is, there were at least as many accessions and at least as many separations as there were workers on the force.[1] Even in 1915, the most stable year of the decade, there were 122,211 accessions and 99,734 separations entailed in the maintenance and enlargement of a work force of 159,054 employees. This is equivalent to a complete overturn of nearly 75 per cent of the work force during the year. In 1917–18, the most unstable of the periods shown, 631,173 accessions and 613,467 separations, or a total of 1,244,640 labor changes, were involved in the maintenance and enlargement of a work force of 305,901 workers. This is equivalent to more than two complete overturns of the work force during the year.

On the basis of the unit full-year (3000-hour) worker the situation in the decade reported may be described as follows: Throughout the ten-year period, for every equivalent 3000-hour worker in the aggregate work force, there were on the average more than two labor changes per year. In 1915, the period of least instability, there were about one and a half labor changes for each full-year worker. In the war period, 1917–18, there were more than four labor changes for each full-year worker in the aggregate work force. This is as if during these 12 months all the employees had left their jobs, an entirely new set had come in to fill their places, and afterward all the employees in this second set had left their jobs and had in turn been fully replaced by a third set of workers.

There is also to be observed a very definite tendency of the mobility rates to vary with the prevailing industrial situation. This is indicated by relatively high mobility rates for the years 1913 and 1917–18, years of great industrial activity, and by a recession in the rates in years in which the industrial situation has been less favorable. The peak in the rates, indeed, occurs in the period 1917–18, when war-time necessities forced far-reaching changes in the character of the products manufactured as well as in manufacturing processes. This gave rise to an

[1] Assuming, of course, a rough equality between the accessions and separations. Actually there is only a tendency to such equality.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

unusual industrial situation marked by a peculiar war psychology, causing general restlessness and unusually extensive labor shifting.[1]

Enormous as is the extent of labor instability indicated by the figures presented in Table I, it is fair to assume (and this assumption is supported by a good deal of fragmentary evidence) that the actual situation is even worse. The (nearly) 500 establishments from which the labor-mobility figures have been secured are necessarily the concerns which had the figures to give, that is to say, concerns which had given rather more attention than most firms to their force-maintenance problems. The firms reporting are chiefly concerns which had more or less centralized employment systems and were relatively more successful in the maintenance of a stable work force. In such establishments the instability situation is not likely to be as serious as in the general run of American industrial concerns, which as a rule pay little or no attention to the flow of labor in and out and give little if any thought to its control.

The replacement or "turnover" numbers and rates in Table I are indicated by asterisks. Thus in 1910 persons were being hired at a rate of 3.5, and employees were leaving at a rate of 3.4 per 10,000 labor hours. The aggregate standard work force was obviously undergoing expansion, and all separating employees were (more or less promptly) replaced. The separation rate, therefore, is to be taken as the replacement (or "turnover") rate. In 1914 the situation was very different. Most industrial plants were curtailing operations. The result was an accession rate of 2.7 and a separation rate of 2.9. In these circumstances it is obvious that not all the separating employees were replaced—even tardily—and that consequently the accession rate is to be taken as the replacement rate. In 1914, obviously, not all of the 326,755 separating employees contributed to the turnover, as that word is here defined. There were only 300,121 persons hired during that year. This num-

[1] It is probable that the labor mobility for the year 1919 is actually higher than is indicated by the figures shown here, since the number of establishments upon which the rates are based is rather small and includes a number with unusually low labor mobility records.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ber therefore measures the turnover, because this is the number of abandoned jobs which were replaced. The turnover (or replacement) rate, then, is the ratio between 300,121 and the 1,119,861,000 labor hours which were put in during the time within which those replacements were made. The excess of separations, amounting in 1914 to 26,634, involves a phase of labor mobility not included in turnover. This excess shows the extent to which the standard work force was diminished during 1914 and in relation to the labor hours is, as already explained, the labor-decrease rate; and the corresponding excess of accessions in such a year as 1918 is the labor-increase rate. In years like 1911 and 1913 the rates of accession and separation are equal, and it would make little difference which figure was taken to measure replacements. Reference to the actual numbers in the upper part of the Table, however, shows that in 1911 the accessions were somewhat less numerous and therefore most nearly measured replacements, whereas in 1913 the separations were fewer and that in that year, therefore, they should be identified with replacements. In general, throughout the ten-year period the accessions and separations have naturally tended to balance each other pretty closely, although they show slight variations reflecting the changing industrial conditions from year to year. Over the whole decade it is to be noted that the accessions appreciably exceed the separations, indicating a net increase in the gainfully employed population and just about such a normal industrial expansion as would naturally be expected.[1]

[1] During the last few years speculation has been rife as to the probable aggregate number of labor changes over a given period in all the industrial establishments of the country. Interesting though the knowledge of these facts would be, the task of gathering such figures, even if all establishments kept labor-mobility records, would be so stupendous that it could scarcely be seriously considered. It is necessary, therefore, to resort to estimates based on a careful analysis of the available labor-mobility figures. Thus, applying the 1914 mobility rates here reported to the industrial population of the United States of that year as shown by the United States Census of Manufactures of 1914, the latest figures available, it would appear that the more than 5,000,000 workers fully employed that year must have involved about 4,000,000 accessions and nearly 4,500,000 separations, or a total of more than 8,000,000 workers changing jobs that year.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE II

MOBILITY RATES IN SPECIFIED INDUSTRY GROUPS

Number of establishments, 1913–14, 84; 1917–18, 176

[Replacement (or "turnover") rates are indicated by asterisks (*)]

Industry group	Rate, per 10,000 labor hours, of:—					
	Accession	Separation	Flux	Accession	Separation	Flux
	1913–14			1917–18		
Automobiles and parts	5.2*	5 4	10.6	7.7	7.6*	15.3
Chemical industries and refineries	4.0	3.5*	7.5	9.9	8.4*	18.3
Clothing and textile manufacturing	2.1*	2.2	4.3	4.2*	4.7	8.9
Furniture and millwork	. .	. .	. .	8.3*	10.2	18.5
Leather and rubber goods	5.3	4.5*	9.8	8.0*	8.2	16.2
Machinery manufacturing	2.7*	3.6	6.3	5.5	5.3*	10.8
Mercantile establishments (wholesale and retail)	2.4	2.2*	4.6	4.6*	4.8	9.4
Miscellaneous metal products manufacturing	2.7*	3.1	5.8	10 6	10.1*	20.7
Printing and publishing	2.3	2.2*	4.5	5.9*	6.3	12.2
Public utilities: gas and electricity	0.5*	1.0	1.5	4.6*	4.7	9.3
street railway	0.9*	0.9	1.8	2.7*	3.2	5.9
telephone service	1.3*	1.6	2.9	3.1*	3.4	6.5
Slaughtering and meat packing	8.5	8.0*	16.5	8.5	7.3*	15.8
Total	3.1*	3.3	6.4	6.9	6.7*	13.6

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A separate tabulation of mobility rates for the period 1913–14 and 1917–18 was made for the following localities: Boston, Chicago, Cincinnati, Cleveland, Detroit, Milwaukee, New York and San Francisco. In the period 1913–14 the higher mobility rates are centered in Chicago, with a flux rate of 8.4, Cincinnati, with a rate of 7.9 and Detroit, with a rate of 9.9. A noticeable change is evident in the period 1917–18, the cities of Cleveland, Detroit and San Francisco showing flux rates of 16.8, 15.1 and 17.0 respectively, indicating the effect of the unusual industrial activity caused by the war.[1]

In Table II the mobility-rate figures for the two periods, 1913–14 and 1917–18, are classified by industry groups.

The tabular array shows the general increase of mobility rates over the pre-war period and throws interesting side-lights upon the influence of the war upon certain of the industry groups represented. Those which were most immediately affected by the necessity for articles of war are: automobiles and parts, chemical industries, leather and rubber goods, machinery manufacturing, miscellaneous metal products, and slaughtering and meat packing. All of these groups, with one exception, show a decided increase in mobility rates over those of the pre-war period. The rates of the slaughtering and meat-packing group show only a slight decrease. This is not surprising in view of the fact that the mobility rate for this group in 1913–14 was already more than twice as great as the rate for all groups combined.[2]

[1] For more detailed figures on labor mobility in different localities see the following articles, published in the *Monthly Labor Review* during the year 1919: "Labor Turnover in Cleveland and Detroit", by Boris Emmet, January, pp. 11–30; "Labor Turnover in the San Francisco Bay Region", by P. F. Brissenden, February, pp. 45–62; "Labor Turnover in Cincinnati", by Emil Frankel, March, pp. 35–52; "Labor Turnover in Milwaukee", by W. F. Kirk, April, pp. 53–70; "Labor Turnover in Chicago", by Emil Frankel, September, pp. 44–59.

[2] To undertake to show some definite relationship between the size of the establishment and labor mobility, detailed figures regarding the labor changes were so arranged as to show the mobility rates of establishments with less than a thousand employees, of those having one thousand and under five thousand and of those with over five thousand employees. In 1913–14 the flux rates for the different sizes of establishment in the order given above were: 9.7, 5.9, and 6.2 respectively. The 1917–18 figures show flux rates of 17.3, 14.3 and 11.5 respectively. These figures, in the main,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Necessary and Unnecessary Labor Changes

Repeated attempts have been made in the last few years to ascertain the proportion of the labor replacement which may be regarded as avoidable. Such a separation of the necessary from the unnecessary replacement has been undertaken on the natural assumption that the maintenance of the working force requires the hiring of only a certain number of workmen to replace those who have left for unavoidable reasons (death, sickness, discharges for manifest unfitness *etc.*), and that whatever number of persons is found to be required over and above this so-called irreducible minimum—which has been estimated by a number of students at about 25 per cent of the work force—must be the measure of unnecessary replacement. The limits of this article do not permit a full discussion of the question as to whether or not labor-mobility data (referring as they do to a phenomenon which is subject to constant and sometimes extreme industrial fluctuations) can be so simplified as to express in exact figures the proportion of necessary and unnecessary labor replacement. Actually to apply to industrial establishments as they are this method of appraising the responsibility in labor replacement presupposes wholly static industrial concerns with unvarying amounts of employment and with work forces composed of persons who are very slightly, if at all, influenced by outside industrial forces. To be sure there will be found industrial concerns which can offer steady em-

indicate a downward trend in mobility rates as the size of the establishment increases. It has not been possible to ascertain the exact reason for the relatively lower rates in the larger establishments, though it is conceivable that among the factors influencing the stability was the possibility of the larger establishments offering steadier work, relatively higher earnings and better employment conditions generally. Lower rates might also indicate the efficiency of employment departments and the influence of service and welfare activities, which are generally carried on more extensively by the larger establishments. It should be noted that in the larger establishments there must be many inter-departmental changes which are not included in the figures presented here. This is one reason why the flux rate is lower in the large concerns. Obviously the number of such interior labor changes is smaller, both absolutely and relatively, in the small than in the large establishments. The small single-department concern must recruit virtually all its new labor from outside accessions. The inter-departmental labor shift is in some cases quite as much a sign of labor instability as if the shift were from one employing firm to another employing firm.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ployment to a certain small number of persons. In such establishments any of these employees leaving voluntarily and for no valid reason may be definitely considered as factors in the unnecessary labor replacement. But it would be extremely difficult to say when and to what extent the great mass of employees (who are at the mercy of labor-market fluctuations) may be regarded as contributing to the necessary or unnecessary labor replacement.

Bearing these limitations in mind and assuming that the strictly necessary part of the replacement amounts to 25 per cent of the work force (an assumption whose confirmation requires much further investigation), the mobility figures of any firm or group of firms might be presented in such a way as to show, separately, the necessary and unnecessary labor replacement. The figures are given in Table III.

Taking for illustration the figures for the period 1917–18 and assuming as necessary for force maintenance the replacement of 25 per cent of the work force,[1] it would appear that the maintenance of the aggregate work force of 305,901 employees in the 176 establishments reporting in 1917–18 should have required only 76,475 replacements. In addition to these replacements there need to be taken into account the persons required to take care of the expansion which the aggregate work force underwent during the period under consideration. The amount of this expansion is measured by the excess of accessions over separations, which is in this case 17,706. The total necessary changes were, therefore, 76,475 separations requiring replacement, 76,475 accessions for this replacement and 17,706 labor-increase accessions, or a total of 170,656 necessary labor changes. Actually, there were 1,244,640 labor changes. The difference is 1,073,984, which is the number of "unnecessary" labor changes. This amounts to 86 per cent of all labor changes. The year 1915 appears to have been least burdened with these unnecessary labor shiftings. In that

[1] And taking for granted, of course, the necessity for whatever increase or decrease changes (accessions or separations, as the case may be) naturally result from the (more or less) permanent extension or curtailment of industrial operations.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE III

NECESSARY AND UNNECESSARY LABOR CHANGES

By years, from 1910 to 1919, inclusive

Year	Number of workers[1]	Labor changes necessary to replace 25 % of force and to take care of work-force expansion or contraction				Total actual labor changes[1]	"Unnecessary" labor changes	
		Separating employees who must be replaced	Persons taken on to fill their places	Additional persons taken on for expanding work-force (E) or additional persons separating on account of curtailing work force (C)	Total necessary labor changes		Number	Per cent of total actual changes
1910	85,263	21,316	21,316	4,229 (E)	46,861	176,587	129,726	73
1911	109,653	27,413	27,413	2,886 (C)	57,712	190,944	133,232	70
1912	188,363	47,091	47,091	27,798 (E)	121,980	392,372	270,392	69
1913	399,449	99,862	99,862	6,628 (E)	206,352	1,076,864	870,512	81
1913–14	244,814	61,204	61,204	16,699 (C)	139,107	470,715	331,608	70
1914	373,287	93,322	93,322	26,634 (C)	213,278	626,876	413,598	66
1915	159,054	39,764	39,764	22,477 (E)	102,005	221,945	119,940	54
1916	94,803	23,701	23,701	30,198 (E)	77,600	232,402	154,802	67
1917	58,052	14,513	14,513	4,370 (E)	33,396	154,204	120,808	78
1917–18	305,901	76,475	76,475	17,706 (E)	170,656	1,244,640	1,073,984	86
1918	56,411	14,103	14,103	12,919 (E)	41,125	182,917	141,792	78
1919	42,632	10,658	10,658	2,651 (E)	23,967	74,851	50,884	68

year in the firms studied only 54 per cent of the labor changes were unnecessary changes. Computing the rates corresponding to the figures just given for 1917–18, it appears that the accession rate of 6.9 would be reduced to 1.0, the separation (here the replacement) rate of 6.7 to 0.8, and the flux rate of 13.6 to 1.8, if only the strictly necessary labor changes were made.

[1] Figures taken from Table I.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Labor Mobility in Different Groups Within the Work Force

Although general business and industrial conditions are responsible to a very large extent for the varying degree of the mobility of labor, many other factors influence labor stability in one way or another. A few of the more important ones, the influence of which is brought out in the following pages, are briefly enumerated here: the nature of the labor force, that is to say the extent to which an establishment employs males and females, unskilled, semi-skilled or skilled workers, or whether the work force consists largely of clerical employees or of persons engaged in non-mechanical occupations; the nature of the work, that is, whether or not it is generally disagreeable—involving exposure to dampness, noxious odors, great heat, dust *etc.*; the proportion of long-service employees in an establishment, such employees generally changing jobs less frequently in times of great industrial activity when the tendency to instability is greatest; the seasonal nature of the industry, necessitating frequent lay-offs of portions of the work force, thus increasing the proportion of separations and necessitating a correspondingly greater number of rehirings when the work force is again enlarged. Figures showing, on the basis of some of these intra-plant factors, the distribution of labor mobility within the establishment work force are presented in the following paragraphs.[1]

A special study of the relative labor mobility among males and females in the labor forces of 45 establishments for the period of 1917–18 showed the following mobility rates: males —accession rate 5.6, separation rate 6.0, flux rate 11.6; females—accession rate 4.1, separation rate 3.7, flux rate 7.8. Although the rates for females are actually lower, this cannot be said to offer conclusive evidence that the shifting is gener-

[1] See in this connection the following studies of labor mobility in special industry groups: "Freight Handlers on Passenger-Freight Steamers on the Great Lakes", and "Labor Turnover of Seamen on the Great Lakes", by Emil Frankel, *Monthly Labor Review*, April and June, 1918, "Labor Policies and Labor Turnover in the California Oil Refining Industry" and "Labor Turnover among Employees of a California Copper Mining and Smelting Company", by P. F. Brissenden, *Monthly Labor Review*, April and May, 1919.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ally less extensive among women since the comparison of the mobility between males and females is not invariably made between employees in the same occupation and doing similar work. This is especially noticeable in industry groups in which the female labor force constitutes only a small fraction of the total work force and is composed almost entirely of clerical employees.

The records of 32 of the establishments studied were in such shape that it was possible to compare the stability records of skilled and unskilled workers. The figures are shown in Table IV.

TABLE IV

LABOR MOBILITY OF SKILLED AND UNSKILLED WORKERS, 1913–1915 AND 1917–18

[10 establishments reporting for 1913, 5 for 1914 and 7 for 1915; 10 establishments reporting for year ending May 31, 1918]

Class of workers	Number of workers	Total labor hours	Labor changes		
			Accessions	Separations	Total (flux)
			Number		
1913–1915					
Skilled	24,733	74,199,000	14,848	16,484	31,332
Unskilled	15,660	46,980,000	20,042	22,251	42,293
Total	40,393	121,179,000	34,890	38,735	73,625
1917–18					
Skilled	16,169	48,507,000	21,919	24,830	46,749
Unskilled	4,408	13,224,000	19,661	19,203	38,864
Total	20,577	61,731,000	41,580	44,033	85,613
			Rate per 10,000 labor hours		
1913–1915					
Skilled			2.0	2.2	4.2
Unskilled			4.3	4.7	9.0
Total			2.9	3.2	6.1
1917–18					
Skilled			4.5	5.1	9.6
Unskilled			14.9	14.5	29.4
Total			6.7	7.1	13.8

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The labor-mobility rates for the two classes of labor show that in both periods unskilled labor was much more unstable than skilled labor. Moreover, this excess of instability on the part of the unskilled was much greater in the war period than in the pre-war period. In the earlier period the mobility rates of the unskilled were more than double the rates for the skilled. In 1917 the mobility rates of the unskilled were three times as great as those of the skilled. In the earlier period there was, among the skilled, slightly more than one labor change for each skilled member of the working forces of the 22 plants and nearly 3 changes in jobs for each unskilled worker. In 1917–18 there were nearly three skilled-labor changes for each skilled worker and about 9 unskilled-labor changes for each unskilled worker.

Character of Separations

In attempting to form some idea of the relative responsibility of the various influences bearing upon the mobility of labor it is highly important to give some special consideration to the three types of separations, namely, voluntary separations or quits, discharges and lay-offs. In Table V are given the number, rate per 10,000 labor hours, and the percentage distribution of all separations of employees discharged, laid off and leaving voluntarily. Figures are shown for each year from 1910 to 1915, inclusive, and for the 12-month period ending May 31, 1918.

The arresting fact shown in the above rate and percentage distribution figures is that the great bulk of all separations today, as in 1910, is due to voluntary leaving. It also appears from these figures that periods of industrial prosperity are reflected in relatively low, and periods of depression in relatively high, proportions of lay-offs to total separations, and that the lay-off rate is the most sensitive of the three separation rates to changing industrial conditions. Thus, in 1914, when the ratio of quits to total separations was lower than at any other time during the period covered by the figures, the proportion of lay-offs was higher than at any other time, constituting nearly one-third (31 per cent) of all separations, while in the imme-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE V

TYPE OF SEPARATION (DISCHARGE, LAY-OFF OR VOLUNTARY QUITTING) OF EMPLOYEES LEAVING, BY YEARS FROM 1910 TO 1915, INCLUSIVE, AND FOR THE 12-MONTH PERIOD ENDING MAY 31, 1918

Year	Number of establishments	Number of workers	Total labor hours	Accessions	Separations			
					Discharges	Lay-offs	Voluntary separations	Total
1910...	7	23,273	69,819,000	15,936	2,608	514	14,230	17,352
1911...	13	56,577	169,731,000	53,506	9,837	5,082	35,716	50,635
1912...	20	72,526	217,578,000	78,843	13,628	4,057	49,806	67,491
1913...	35	134,823	404,469,000	182,276	32,094	13,334	141,035	186,463
1914...	50	118,195	354,585,000	82,585	19,565	29,737	46,660	95,962
1915...	28	78,984	236,952,000	50,421	6,946	8,536	26,862	42,344
1917-18	108	207,303	621,909,000	393,164	51,400	29,833	299,157	380,390
Total.	261	691,681	2,075,043,000	856,731	136,078	91,093	613,466	840,637

Year	Rate per 10,000 labor-hours					Percentage of total separations due to—		
	Accessions	Separations						
		Discharges	Lay-offs	Voluntary separations	Total	Discharges	Lay-offs	Voluntary separations
1910...	2.28	0.37	0.07	2.04	2.48	15	3	82
1911...	3.15	.58	.30	2.10	2.98	19	10	71
1912...	3.62	.63	.19	2.29	3.11	20	6	74
1913...	4.51	.79	.33	3.49	4.61	17	7	76
1914...	2.33	.55	.84	1.32	2.71	20	31	49
1915...	2.13	.29	.36	1.13	1.78	16	20	63
1917-18	6.32	.83	.48	4.81	6.12	14	8	79
Total.	4.13	.66	.44	2.96	4.06	16	11	73

diately preceding year, 1913, lay-offs made up only 7 per cent of all separations. The rate figures indicate that it is not alone the proportion but also the actual rate of lay-off which is thus affected by business activity and depression, the lay-off rate for

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1913 being .33, a relatively low figure, and for 1914, .84, an exceedingly high rate for lay-offs. The discharge rate is evidently subject to less extreme fluctuations than the lay-off rate and it makes up from year to year a more constant proportion of the total separations. There appears, moreover, to be a rather definite relation between the accession and discharge rates, due, possibly, to the process of selection which goes on when new workers are taken on in large numbers. The consequence of the stimulating effect of business prosperity in boosting the voluntary leaving rates may be seen in the high rates of total separation—rates which are high in spite of the fact that the corresponding lay-off rates are usually relatively low. In periods of depression both the rates and the proportions of lay-off and discharges are larger than in periods of prosperity. This is due to the fact that when depression sets in there are unusually large numbers laid off, and employees are discharged more freely than would be the case when labor is urgently needed.

Seasonal Influences on Labor Mobility

Reference has already been made to the marked fluctuations in mobility rates from year to year with changing industrial conditions. The figures of Table VI showing the monthly trend in flux rates from January, 1910, to December, 1919, inclusive, bring out in greater detail the extent to which mobility figures immediately reflect the industrial conditions prevailing at the time.[1]

The monthly flux-rate figures in the Table show how wide a seasonal range of mobility is represented by each yearly rate. The flux rate was relatively high in 1910, a year of business expansion, but dropped during the reaction period of 1911, falling in December to the low flux (*i. e.*, high stability) rate

[1] Based upon following numbers of establishments, reporting monthly figures:

1910 . .	3 establishments	1915 . .	30 establishments
1911 . .	6 "	1916 . .	10 "
1912 .	8 "	1917 . .	20 "
1913 . .	39 "	1918 . .	19 "
1914 . .	26 "	1919 . .	9 "

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE VI

LABOR FLUX RATES, BY MONTHS, FROM JANUARY, 1910, TO DECEMBER, 1919, INCLUSIVE

Month	Total labor change (flux) rate per 10,000 labor hours in—										
	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	Whole period 1910–1919
January	8.3	4.4	4.4	10.8	4.3	3.8	11.7	9.5	11.7	9.4	8.5
February	8.5	4.9	4.8	9.6	4.2	4.5	11.9	7.9	11.4	6.4	8.0
March	12.5	5.6	5.7	11.3	5.1	5.5	10.0	7.9	14.0	6.3	9.0
April	14.0	6.1	7.0	13.1	4.8	6.1	10.9	9.4	16.4	6.1	10.1
May	13.5	7.1	7.5	12.5	6.5	5.3	10.8	13.4	15.7	6.1	10.2
June	12.9	7.5	7.7	10.4	7.3	4.9	11.0	12.7	13.6	6.0	9.2
July	11.9	6.6	8.3	9.8	5.0	5.1	7.0	11.6	14.2	5.9	8.3
August	13.6	7.1	9.0	7.7	6.1	5.1	9.3	13.7	13.8	8.0	8.1
September	9.3	4.7	8.2	7.9	6.1	7.9	7.7	13.1	10.5	8.2	8.2
October	7.4	4.6	8.5	6.3	4.8	7.3	6.8	12.3	10.2	8.7	7.2
November	6.4	4.3	6.9	5.1	3.7	10.5	4.9	11.2	8.8	6.1	6.6
December	3.7	3.8	6.3	4.2	4.1	7.7	5.8	11.8	8.0	4.0	6.0
Year	10.1	5.6	7.0	9.1	5.1	6.1	8.8	11.4	12.7	6.7	8.3

of 3.8, a degree of stability not again reached until the autumn of 1914, in November of which year of business depression it fell to 3.7. The flux rate rose generally in 1912 and 1913 but dropped toward the end of 1913 and remained low during 1914 and until the autumn of 1915, when it rose slightly, followed by a further rise and continued high mobility levels during the winter and spring of 1916. The summer and autumn of 1916 and the winter of 1917 were periods of greater stability. In the late spring of 1917, after our entry into the war, the labor-flux rate jumped to higher points than it had touched since the spring of 1913. There was—and this is an unusual circumstance—only a very slight increase in mobility during the following summer, autumn and winter. With the spring of 1918 the rate climbed again and this time to high points not reached at any other time before or since, during the decade covered by the figures. The rate fell considerably during the summer and autumn of 1918 and, despite the almost invariable tendency to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rise in the spring, it continued low during the winter of 1919 and gradually fell during the spring, rising somewhat in the autumn, but dropping sharply in November and December. An examination of the figures will show that the very unusual decrease in mobility in the spring of 1919 was largely due to the fact that in addition to a marked decrease in the separation rate (unusual at this time of year) there was an even more pronounced drop in the accession rate. It is evident, also, that in the autumn of 1919 the accession rate rose rapidly until October, and then dropped rapidly, while the separation rate continued to drop through the summer and autumn.

A more accurate portrayal of the single factor of seasonality in labor mobility is made in Table VII.

TABLE VII

EXTENT OF LABOR MOBILITY IN THE FOUR SEASONS OF THE YEAR

(Based on the monthly data of the four seasons for all years from 1910-1919, combined)

Month	Number of workers	Total labor hours (thousands)	Labor changes		
			Accessions	Separations	Total (Flux)
			Number		
March, April, May....	471,738	353,803	180,482	165,445	345,927
June, July, August....	464,579	348,432	150,225	146,828	297,053
Sept., Oct., Nov.....	479,036	359,278	142,886	119,245	262,131
Dec., Jan., Feb.....	470,076	352,556	142,023	120,781	262,804
Total.....	471,357	1,414,069	615,616	552,299	1,167,915
			Rate per 10,000 labor hours		
March, April, May....			5.10	4.68	9.78
June, July, August....			4.31	4.21	8.52
Sept., Oct., Nov.....			3.98	3.32	7.30
Dec., Jan., Feb.....			4.03	3.43	7.46
Total.....			4.35	3.91	8.26

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

These figures present a composite picture of the seasonal fluctuations based upon the record of a decade. They also throw some light on the psychological effects of the distinctive physical conditions characterizing the four seasons of the year. The mobility figures have been brought together in this table in such a way as to combine the figures for identical quarterly periods for each of the years from 1910 to 1919, inclusive; it is believed that by such a combination of the figures most of the influences upon mobility which are of a purely industrial character are neutralized and the influence of the seasons more accurately reflected.

Both the figures of Table VII and the monthly flux rates given in Table VI show a quite uniform tendency to maximum labor mobility in the spring, a gradual lessening of mobility during the summer and early autumn, which is the period of minimum mobility, and then, with an increase during the late autumn and winter, culminating again in the maximum mobility period of the following spring. The high mobility rates in the spring months indicate that the labor shiftings are indeed much more numerous at that season of the year. The number of accessions and separations in the months of March, April and May are not only greatest in relation to the number of workers employed, but are absolutely greater in this three-month period than in any other period shown. Here doubtless may be seen the psychological effect which spring appears to have upon the workmen, that is, a certain restlessness and desire for change— in jobs, places of abode *etc.*,— made easier because of the opening up of industrial outdoor work and increased activity in agriculture, lumbering *etc.* At this period, too, the conditions of living are more easily met. The relatively high mobility rates still prevailing during the summer months no doubt indicate the influence of the hot weather upon the industrial stability of the employee.

In the autumn of the year, when colder weather sets in and living conditions are harder to meet, there is a noticeable drop in the labor change rate as a whole. It is especially interesting to note that the proportion of accessions as compared with separations is relatively greater during the months of September,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

October and November, indicating a tendency for workers to flock back to steadier employment after a period of restlessness and moving about. There is also noticeable a very slight increase in the mobility rates of the winter months over the autumn period, which is perhaps indicative, on the one hand, of a more intensive application of the country's productive forces, and on the other, of changes which are often made by individuals at the end of the old and the beginning of the new year.

Length of Service and Labor Mobility

In the preceding discussion of labor mobility one very important factor, that of length of service, has not been touched upon. Monthly and yearly figures, expressed in the form of accession, separation and flux rates, are valuable for the purpose of showing the general extent of mobility in the labor force as a whole and its trend during any given period of time. Such figures, however, do not throw much light on the degree of stability within the working force in so far as it relates to the length of service of the active as well as the separated employees. Without such figures no correct idea can be formed of the relative extent of labor mobility. It is evident that in the working force as a whole, or in its sex, occupation or other subdivisions, the turnover is not equally distributed. This is due to the varying frequency with which the jobs in each such group may be abandoned by the job holders. It is obvious that the length of time for which jobs are held by individual employees who leave those jobs is a highly important factor in determining the incidence of labor mobility within the establishment work force. This for the reason that the shorter the service of separated employees, the more frequent the job replacements which they occasion and the higher the resulting establishment labor-mobility figures.

The proportion of employees leaving within one year of the time when they were hired is shown in Table VIII.

It appears from these figures that, of the 93,206 employees hired during the year by the 53 plants reporting, 64,758, or 69 per cent, left within twelve months after they were hired. There is evident a good deal of variation between the different

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE VIII

NUMBER OF EMPLOYEES LEAVING SERVICE WITHIN 12 MONTHS OF WHEN THEY WERE HIRED, BY INDUSTRY GROUPS, YEAR ENDING MAY 31, 1918

Industry Group	Number of establishments	Total number of persons hired during the year	Of these there left within a year after being hired—	
			Number	Per cent
Automobiles and parts, mfg.	5	12,659	8,230	65
Chemical industries and refineries	3	10,743	8,230	77
Clothing and textile manufacturing	3	6,771	4,799	71
Furniture and millwork	1	3,410	2,681	79
Machinery manufacturing	13	20,881	14,121	68
Mercantile establishments (wholesale and retail)	3	1,931	1,306	68
Miscellaneous metal products manufacturing	13	15,803	13,053	83
Printing and publishing	2	749	518	69
Public utilities: Gas and electricity	1	1,585	721	45
Street railways	1	3,058	1,150	38
Telephone service	8	15,616	9,949	64
Total	53	93,206	64,758	69

industry groups. The least stable group appears to be the metal products manufacturing employees. Eighty-three per cent of those hired in this group left within a year. The most stable group appears to be street railway employees, only 38 per cent of whom left within a year of the date they were hired.

The experience of 34 establishments in 1913–14 and of 53 in 1917–18, which furnished comprehensive figures on the length of service of their active employees, as well as of those who left their employ, is summarized in Table IX.

It will be noticed in this Table, if we consider these employees having to their credit not more than one year of service as short-service employees, that the proportion of such employees in the active work force is rather extensive. On the other hand, it will be observed that considerable proportions among the active employees have long-service records. The figures for those separated, however, present a striking contrast and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE IX

LENGTH-OF-SERVICE DISTRIBUTION OF "ACTIVE EMPLOYEES" (THOSE ON PAY-ROLL AT END OF YEAR) AND OF EMPLOYEES WHO LEFT DURING THE YEAR ("SEPARATING EMPLOYEES")

[Number of establishments reporting, 1913–14, 34; 1917–18, 53]

Length-of-service group	Number in each group			
	On pay roll at end of year		Separated from service during year	
	1913–14	1917–18	1913–14	1917–18
1 week or less	.....	1,615	.....	16,476
Over 1 week to 2 weeks	.....	1,793	.....	9,664
Over 2 weeks to 1 month	.....	2,948	.....	11,541
Over 1 month to 3 months	.....	7,055	.....	18,912
Three months or less	*11,365*	*13,411*	*28,407*	*56,593*
Over 3 months to 6 months	6,396	6,019	8,516	11,770
Over 6 months to 1 year	7,188	9,018	7,497	9,813
Over 1 year to 2 years	10,446	10,458	4,415	6,645
Over 2 years to 3 years	9,632	6,627	2,162	2,476
Over 3 years to 5 years	12,980	6,320	1,845	2,780
Over 5 years	28,443	19,916	1,776	3,015
Total	86,450	71,769	54,618	93,092
	Per cent in each group			
1 week or less	.....	2.3	.....	17.7
Over 1 week to 2 weeks	.....	2.5	.....	10.4
Over 2 weeks to 1 month	.....	4.1	.....	12.4
Over 1 month to 3 months	.....	3.8	.....	20.3
Three months or less	*13.1*	*12.7*	*52.0*	*60.8*
Over 3 months to 6 months	7.4	8.4	15.6	12.6
Over 6 months to 1 year	8.3	12.6	13.7	10.5
Over 1 year to 2 years	12.1	14.6	8.1	7.1
Over 2 years to 3 years	11.1	9.2	4.0	2.7
Over 3 years to 5 years	15.0	8.8	3.4	3.0
Over 5 years	32.9	27.8	3.3	3.2
Total	100.0	100.0	100.0	100.0

undoubtedly reflect the influences of unusual industrial activity in both of the periods studied, but more especially the effect of war-time conditions upon labor mobility. In the period 1917–

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

18, out of a total of 93,092 separated employees, over 40 per cent had, on severing their connections, served periods of less than one month, 33 per cent had worked from one to six months, 10.5 per cent over six months to one year; a total of 84 per cent had to their credit continuous service records of less than one year. In both periods there had also been a considerable exodus of long-service employees—18.8 per cent of all separating employees in 1913–14 and 16 per cent in 1917–18 were employees with service records of over one year. Nevertheless, the census of the active employees taken at the end of the period shows large proportions of employees of long tenure. The figures for 1913–14 show 32.2 per cent with continuous service records of from one to five years, and 32.9 per cent with service records of over five years; and the figures for 1917–18 show 32.6 per cent of all active employees with service records of over one to five years and 27.8 per cent with continuous service records of over five years.[1]

Stable and Unstable Employees[2]

In the discussion of the figures on the length of service of the active working force attention has been called to the fact that in each establishment at a given time there will be found long-service employees who cannot be said to have been a factor in the mobility in a period over which they have served

[1] A count of the actual length of service of 439 separated employees in two establishments in the one-week-or-less group showed the number of employees having had specified days of service to be as follows: Less than one day of service, 21 employees; one day, 94 employees; 2 days, 57 employees; 3 days, 54 employees; 4 days, 48 employees; 5 days, 54 employees; 6 days, 111 employees. This shows that over 25 per cent worked one day or less, about 50 per cent worked from two to five days, and only a little over 25 per cent worked a full week. A separate study of the relative proportions of active and separated employees in the different cities and industry groups reveals considerable variation from the figures given in Table IX. Some of these groups show that as high a proportion as 30 per cent of all separated employees of the period 1917–18 had worked one week or less, while in other groups the proportion of the separated employees who had served three months or less was in some industry groups as high as from 60 to 80 per cent.

[2] For figures giving the proportions of stable and unstable employees in 11 Chicago plants see Frankel, Emil, "Labor Turnover in Chicago", *Monthly Labor Review*, September, 1919, pp. 44–59. See also on the same subject "Labor Turnover in Cincinnati", *Monthly Labor Review*, March, 1919, pp. 35–52.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

continuously. This brings out the fact that there is more or less concentration in the mobility of the plant forces, and for that reason the rates of mobility as applied to the working force as a whole do not correctly assign the direct responsibility for the labor flux. It is evident that the rates of mobility will be the same if the whole working force changes completely once in the course of a year, or, if one-half of the working force changes 2 times, or, one-fourth of the working force changes 4 times in the course of a year, and so on. In the presentation of the figures that follow an attempt is made to show by means of length-of-service figures exactly what proportion of the work force is responsible for the labor mobility. The detailed figures on length of service given in Table IX show that of 71,769 persons on the pay-rolls in 53 establishments on June 1, 1918, 43,321 or 60 per cent had been in continuous service over one year. These long-service employees were in no way responsible for the labor mobility of these establishments for the 12-month period ended with that date. If we know the number of employees with a service record at least as long as the period for which the labor mobility is reported, the responsibility of that part of the working force which has actually occasioned the labor shifting can be definitely established. In Table X the base upon which the rate of mobility is measured is that part of the working force which directly contributed to it.

This Table shows that in these 53 establishments with a working force of 69,553 there were at the end of the year 43,321 employees representing 62 per cent of the total number on the pay-roll with a service record of over one year. These employees were not responsible for any of the labor changes that took place during the year. The labor mobility was, therefore, concentrated upon 26,232 workers or 38 per cent of the total working force. This relatively small part of the working force was responsible for all the labor changes which took place during the year, involving 93,206 accessions and 96,207 separations, a labor flux of 189,413 persons. This means that for every worker of the unstable working force more than 3 persons were hired and nearly 4 persons left employ-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE X

COMPARISON OF LABOR-MOBILITY RATES BASED ON THE TOTAL WORKING FORCE WITH THE RATES BASED ON THE UNSTABLE PART OF THE WORKING FORCE, YEAR ENDING MAY 31, 1918

Number of establishments	Total working force [1]	Unstable part of working force	Per cent that unstable part of working force is of total working force	Labor hours worked by		Labor changes		
				Total working force	Unstable part of working force	Accessions	Separations	Total (flux)
53.....	69,553	26,232	38	208,659,000	78,696,000	93,206	96,207	189,413

Number of establishments	Rate per 10,000 labor hours, based on total working force			Rate per 10,000 labor hours, based on unstable working force		
	Accessions [2]	Separations [2]	Flux [2]	Accessions [3]	Separations [3]	Flux [3]
53.....	4.5	4.6	9.1	11.8	12.2	24.0

ment, or that altogether there were more than 7 labor changes for each worker. A comparison of the labor mobility of the stable and unstable working force shows the labor-mobility rates based on the labor hours of the unstable part of the work force to be nearly three times as great as the labor-change rates as applied to the labor hours of the whole working force.

Employment Management and Labor Stability [4]

A very effective illustration of the practical usefulness of mobility-rate figures is furnished in a comparison of the mobility experience of 10 selected establishments with that of all

[1] This number is 2,216 less than the number on the pay-roll of the 53 establishments at the end of May, 1918, as shown in Table IX, the labor time of the employees with less than one year's continuous service having been reduced to equivalent full year or 3,000-hour workers.

[2] Represents ratio of labor changes (accessions, separations and flux) to labor hours of total working force.

[3] Represents ratio of labor changes (accessions, separations and flux) to labor hours of unstable part of working force.

[4] For a valuable discussion of different employment methods and their effect upon

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

other establishments reporting. These ten concerns were chosen not only because they had definite labor policies and centralized employment machinery but also on account of the fact that they had had considerable success in stabilizing their work forces and keeping their labor flux rates at relatively low levels.

The definite effectiveness of liberal labor policies and centralized systems of employment is demonstrated, in so far as it is possible to demonstrate such things in statistical terms, by the figures presented in Table XI. This Table shows, by years, for the period from 1913 to 1919, inclusive, the mobility rates of the 10 selected firms and of all other firms reporting.

This Table shows in very striking fashion that the ten selected concerns have brought about a considerable reduction in the extent of their labor flux and have suffered a much slighter decrease in stability during the war period than did the general run of establishments. For the whole period, 1913–1919, the 10 selected concerns had an average labor flux rate of 5.1 as compared with a rate of 7.5 for all other concerns. The selected plants reduced their flux rates from 10.9 in 1913 to 5.6 in 1919 but were forced up to 6.1 in 1918, which was the highest point reached after 1913. Establishments generally began with a rate of 8.7 in 1913, were pushed in 1918 up to 13.6 (over twice the mobility experienced by the selected concerns) and finished in 1919 with a rate of 7.0. This comparison of achievements, which covers a relatively long period, shows the vital importance from the standpoint of the industrial establishment of studying this subject of labor mobility, the necessity of examining the employment and personnel methods

labor stability, see Sumner H. Slichter, The Turnover of Factory Labor (New York, 1919). See also Kelly, R. W., Hiring the Worker (New York, 1918) and Colvin, F. H., Labor Turnover, Loyalty and Output (New York, 1919). The following articles describe in detail the methods used in certain establishments which have successfully applied modern employment practices: "Labor Turnover and Employment Policies of a Large Motor-vehicle Manufacturing Establishment", by Boris Emmet, *Monthly Labor Review*, October, 1918; "Employment Policy and Labor Stability in a Pacific Coast Department Store" and "Employment Policies and Labor Mobility in a California Sugar Refinery", by P. F. Brissenden, *Monthly Labor Review*, November and December, 1919.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TABLE XI

COMPARISON OF LABOR MOBILITY IN 10 SELECTED ESTABLISHMENTS WITH ITS MOBILITY IN ALL OTHER ESTABLISHMENTS REPORTING FOR THE CALENDAR YEARS 1913 to 1919, INCLUSIVE

Year	Labor change rates per 10,000 labor hours					
	10 selected establishments			All other establishments reporting		
	Accession	Separation	Flux	Accession	Separation	Flux
1913.....	5.4	5.5	10.9	4.4	4.3	8.7
1914.....	1.1	1.5	2.6	2.8	3.1	5.9
1915.....	1.6	0.8	2.4	3.0	2.6	5.6
1916.....	2.6	1.4	4.0	6.2	4.5	10.7
1917.....	1.7	1.9	3.6	5.8	5.7	11.5
1918.....	3.4	2.7	6.1	7.4	6.2	13.6
1919.....	3.2	2.4	5.6	3.6	3.4	7.0
	2.8	2.3	5.1	3.8	3.7	7.5

currently practiced by the more far-sighted employers, and the desirability of keeping systematic employment records in order to gauge the effect of labor policy upon labor stability. Finally, it demonstrates the urgent need for the more widespread adoption by employers generally of such labor and employment policies as will be most effective in eliminating from industrial life the evil and the waste of excessive labor mobility.

PAUL F. BRISSENDEN,
EMIL FRANKEL.

WASHINGTON, D. C.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

EUROPE AT THE CROSSROADS

BETWEEN Agra and Delhi, surrounded by the wild woods and jungle of India, lies the deserted city of Fatipur Sikri. It is twenty-eight years ago that I entered its deep silence in the middle of the night, the moon throwing her mysterious light upon the sleeping walls and towers, which seemed to dream of the splendors and glories of centuries gone by.

The memory of that picture remained deeply engraved upon my mind. In brown granite, that the rough hand of time had not been able to touch, there stood before me, practically intact, the residence of mighty King Akbar. There were his palaces, his treasury and the buildings of other heads of departments, the house of worship and the strange little hall, shaped like a lantern, where, in the middle on a high pillar, presided the King, while in each of the four corners, from which narrow stone bridges led to the column in the center, sat a representative of each of the four leading religions: a Hindu, a Mohammedan, a Christian and a Jew. It was King Akbar's ambitious plan to take the best out of all creeds and to blend them into one great religion. He had wives of all these denominations (and probably more), whose individual houses still stand with all their grace and charm.

Whoever visits this remarkable spot, with a mind not entirely barren of imagination and not completely devoid of reverence for the eternal growth and struggle of the human race, cannot but visualize a great leader, powerful and chivalrous, bold and refined, who sought to find a way of removing the causes for bloody strife and misery resulting from narrow intolerance, hatreds and jealousies between nations, creeds and races. It would seem that in his own way, he tried the experiment of a League of Nations—and today there is nothing left but deserted houses of brown granite standing silently in the wide wilderness. And what occurred five hundred years ago has happened over and over again a thousand, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

several thousand years ago. Then, as today, nations rose to their full glory and then tottered and fell into pitiful unimportance and decay.

Who can think of Egypt, Babylonia, Greece, Rome, Carthage or Byzantium, and believe that modern Europe has a charmed life as a leader in progress and civilization? We are prone to believe that the world has grown old and that certain conditions have reached the final forms in which they are to stay. But the world is as much in a state of flux as it ever was. The migration of the people is as active in our generation as it was 2,000 years ago. Our large steamers transport in a week more people than Hengist and Horsa or William the Conqueror carried into England. Civilization, starting in central Asia, kept on marching west—to Asia Minor, the Mediterranean and eastern Europe. A few generations hence will the historian find that it crossed the Atlantic and made America the standard bearer? Who knows? It will depend upon Europe's ability to arrest the present process of disintegration before it is too late. Let us hope that the wellsprings of European civilization will not be laid dry. We cannot spare the inspiration and the contributions of the Old World. The decay of one country does not mean the corresponding rise of another. On the contrary, closely interrelated as all peoples are today, retrogression in one involves the lowering of the general level of the standards of living and progress of all.

When men of science, clad in rags like beggars, are cleaning the streets, because in following their literary pursuits they can no longer earn the pittance paid to the women that used to tidy up their rooms, when scientific books can no longer be printed on account of the expense involved, do we not see before our mind's eye the phantom of hundreds of Fatipur Sikris arising in Europe?

A great war, like a severe illness, always leaves the participants in a condition of exhaustion, which can be overcome only after a long period of recuperation. The speed of the recovery depends upon the extent of the ravages, not only of the war, but also of the peace. The wiser the peace, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sooner the return to normal economic conditions, and the quicker the accomplishment of the healing process.

Violent social evolutions, like the transformation of slave-driven, pagan Rome into a Christian world of free men, or like the supremacy of the *tiers état* as the result of the French Revolution, have left countries in a similar protracted state of intense suffering and confusion.

Few people realize clearly enough that the world at present is suffering not only from the aftermath of four years of one of the fiercest wars ever conducted, and of two years of continued extermination after the cessation of open warfare, with actual peace still unaccomplished, but also from the consequence of a social evolution as far-reaching as those connected with the liquidation of the Roman Empire and the *ancien régime*. It is this combination of circumstances that renders the problem so complex and so desperately grave and should make us apprehend a long period of recuperation.

Europe at present is like a big steamer sunk by a torpedo. It is idle to discuss today what kind of a Ritz restaurant or social hall she should have when she is afloat again. The first question is: "Can we raise her at all?" The second is: "After we raise her, can we repair her engines and make her go?" It is evident that we cannot raise her without first stopping the leak—the breach, still wide open, between France and Germany; we cannot make her go without straightening out her machinery—that is, without settling the labor question. When these two tasks are disposed of, I am confident the good old ship Europe will gradually right herself. It is to these two outstanding problems that we must devote ourselves, body and soul, if we want to save her from fatal disintegration.

It will probably prove the greatest tangible result of the war that, all the world over, labor has ceased to be considered as simply a dead item in the cost sheet of production. Labor, instead of being a means, has become an end in itself, as (in the language of Immanuel Kant) is the unalienable right of every human being.

At present the world is divided into four camps. On the far right and left we see the extreme and destructive wings of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

capital and labor, respectively. We find the Bolshevist and his like as unmindful of the human rights of others as the ultra-capitalist and nationalist. Wedged in between these two there are progressive capital and constructive organized labor. It is by the union of these two constructive factions that we may hope to save what will prove worth preserving of our old society. Of these two, however, conservative organized labor in Europe has shown itself more capable and quicker to recognize its duties and opportunities than unorganized progressive capital. Constructive organized labor has found ways to get together across national lines, and it has shown the courage and vision to think and act, both nationally and internationally at the same time. It is conservative organized labor in its various forms—let us make no mistake about it—that so far has stemmed the tide of Bolshevism in Europe. It is on the sanity and sagacity of the leaders of conservative labor, more than on any other factor, that Europe's hopes must rest today.

Unlike the Bolshevist, conservative organized labor does not wish blindly to confiscate and destroy, but to preserve and construct. For that reason it does not approve of imposing on its former enemies contributions in excess of any endurable or practicable means of taxation, which would send the debtor nation on the certain road to complete depreciation of its currencies, with resultant bankruptcy and violent social upheavals, such as have annihilated Russia.

At the British Trades Union Congress held at Portsmouth during the summer, we find the Joint Committee on the Cost of Living submitting a report on money and prices, in which occur the following passages: "As regards the international aspect of the problem of high prices, we think that: (a) the re-establishment of peace throughout the world is a prime essential; (b) war indemnities should be defined and reasonable in amount." Other paragraphs from the report run as follows: "We look to the development of productive capacity all over the world to bring about ultimately a substantial fall in prices." "The Government should cease entirely to resort to bank credits to meet expenditure", and, "The floating debt should

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

be wholly or largely repaid, the remainder, if any, being funded." Space prevents my mentioning other passages worth quoting and others worth contradicting; but the above extracts are highly significant of the admirable progress of thought made in these circles.

This progress is not confined to English labor, for we find the "Second International" at Geneva committing itself in the most unqualified fashion against Bolshevism and, at the same time, against the extreme clauses, or interpretations, of the Versailles Treaty.

It is interesting and most encouraging to find progressive capital in Entente and neutral countries in practically complete accord with conservative organized labor on these points. In talking to enlightened leaders in London or Paris, Brussels or Amsterdam, and to Swiss and Scandinavian bankers, I did not find any divergence of opinion on the proposition that the determination of the maximum measure of indemnity that Germany would be able to bear, and survive, was the one outstanding question to be satisfactorily disposed of before any headway could be made toward starting Europe on a course away from the social and economic collapse toward which she is now headed.

British financiers were most outspoken in this respect. They are keenly alive to the fact that every day that the solution of this problem is postponed means that Germany is sliding nearer the precipice, and it is realized that today she is dangerously close to the brink and that her plunge would no doubt involve others. British leaders complain bitterly about the powerful coterie in the English and the French press that keeps the public in ignorance of the true state of affairs in other countries, that fans hatred and suspicion and blocks the way to a fair settlement.

But, somehow or other, leaders of business and finance have not been able, as effectively as labor has, to get across the national border lines, cutting loose, if necessary, from the apron strings and embargoes of party governments. They have not been able to get together as independently upon a broad international program. Their efforts have remained unorgan-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ized, sporadic and timid, while the governments that hold them in leash have not been able to emancipate themselves from the sway and influence of the chauvinists. This is because capitalist society, as represented by the various governments, has not been able to shake off its extremists as rapidly and as energetically as conservative labor has been able to. It is largely because of this and because these governments are too slow in retracing certain steps—taken inadvisedly, but explained by the temper, time and stress in which they occurred—that labor has lost its confidence in their efficiency and moral strength. Labor, therefore, defies their authority by recourse to so-called "direct action".

It is unnecessary for me to say that I am not an advocate of "direct action", nor am I blind to the grave blunders that labor leaders have made. They have overreached themselves at times, like all other leaders. But no government can rest its success and authority upon the mere exploitation of the wrongs done by its opponents. If it wishes to survive, it is most essential that it clear its own skirts of mistaken acts or policies. At present the Bolshevists and radical labor find their strongest moral support in the mistaken deeds, past and present, of governments directed or controlled by the will or fear of the bitter-enders and militarists.

Every revolution, born of rights wrongfully withheld, brings forth wild schemes that swing far beyond the line of reason, fairness or feasibility. Bolshevism is a case in point. Its insane, cruel and extreme methods and principles will ultimately bring about its own undoing.

In the struggle between the masses and the classes neither side, however, can win by strong-arm methods. In the long run neither a dying form of government or creed, nor a new one aspiring to take its place, can maintain or assert itself by the use of the sword or the torch. Anarchism cannot effectively be fought by deportation, nor can it win by the use of dynamite. That form of government will ultimately prevail which most honestly lives up to the code of honor and ethics it professes and which goes farthest in observing the law, within and without the national lines, of loving

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

one's neighbor as much as oneself, which, in other words, fully recognizes and respects the just rights of the other fellow. It is not a test of strength, it is a test of morals that the world is faced with, and the sooner we realize that fact and attack our problems from that angle, the sooner we shall emerge from our present difficulties.

The masses, harassed and distressed by the present trying conditions, will not be satisfied until some satisfactory solution is found. It will be one of the essential requirements of that solution to give labor a proper voice in the management of its affairs, an adequate living wage, a share in the profits, if possible, and perhaps some sort of direct influence in the government. The safest bulwark against Bolshevism is some practical experiment of this character, which would go to the utmost limit compatible with the strict observance of the principle of the sanctity of private property, the preservation of individual efficiency, and of strict submission to the majority rule of a parliamentary government.

Germany is trying such an experiment at this time. She has enacted legislation making obligatory the organization of shop councils in every establishment employing more than a given number of hands. These councils have certain rights with respect to the working conditions of the employees and also may have one or more representatives on the boards of directors of corporations. Representatives of these councils are grouped together in superimposed organizations in order to deal with questions affecting an entire industry or profession. And finally, members of these larger organizations are delegated to act on the Economic Council of the entire Republic, which council acts as an advisory body to the Parliament. One can readily see the vast possibilities of such a plan, which, in effect, creates a second house of non-political experts, on which all important unions, guilds and professions are represented. There would be no need or pretext for " direct action ", particularly if this body of experts in due course of time were endowed with the same rights and powers as the political chambers. It is not beyond the bounds of imagination to suppose that, instead of two political bodies, like the House of Commons and the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

House of Lords, or the House of Representatives and the Senate, nations might in the future have one political and one economic parliament. From what I have been able to learn about President Millerand's plans, they appear to follow a similar trend of thought in proposing to make the French Senate more representative of the guilds, trade unions and chambers of commerce of France.

Recent history has shown that democratic, as well as autocratic nations, are delivered into war and into peace without being able to discover, express or assert their will. The people of the United States could neither go to war nor end it when they wished to, nor could they make their own peace. The recent election, with platforms and speeches on both sides that did not dare unequivocally to state what the victorious party would do, does not tell what the people really wanted. Why have both houses elected in the same unsatisfactory way? Would it not prove of the greatest advantage to elect as the second chamber a non-political body to which the best manufacturers, the best engineers, the best bankers and the best representatives of labor and agriculture *etc.*, would be delegated by their own professions? It is realized, of course, that for the United States a development on these lines must be considered as entirely remote, but of all the interesting evolutions taking place in Europe at this time, it strikes me as one of the most significant and as one deserving our closest attention.

Bolshevism seems dead one day and full of life and vigor another. But whether Lenin and Trotzky retain their strangle hold on Russia or whether they go under, a practicable solution must be found which will satisfy reasonable demands of labor. Without some such settlement labor, in many countries, will not quiet down and increase production sufficiently to arrest the fall of their exchanges. Nor may we expect that without such a settlement labor will submit to the overwhelming burdens of direct and indirect taxation, without which increasing inflation and ultimate bankruptcy cannot be avoided. The more desperate the economic needs of a country, the weaker the authority of its government, the greater must needs be the concessions made to labor. Italy is a case in point.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It is significant, furthermore, that after Germany was compelled at Spa to concede to the Allies the monthly delivery of two million tons of coal and the reduction of her army to 100,000 men, she had to embark at once on a scheme for the nationalization of her coal mines, with a profit-sharing plan for labor and owners and with ultimate complete government ownership. Failure to offer some such plan would at once have played into the hands of the Independents or Spartacides and, at the same time, would have exposed Germany to the dangers threatening her from non-fulfillment of agreement in the punctual delivery of the coal.

The inferences are obvious!

If Germany fails in these scientific and orderly attempts to solve her labor troubles, it will lead to either more bolshevistic experiments or to reaction and civil war. If she succeeds, on the other hand, how long will it be before other countries will find that they will not be able adequately to increase their production unless they, too, grant similar concessions to labor? Should not victorious countries take care lest driving Germany to extremes might prove a boomerang for themselves?

Nationalization, or socialization, is a thought that casts a great spell upon the imagination of the laboring masses, even though from the fiscal as well as the economic point of view it has generally proved itself an inadvisable, uneconomic venture, to be avoided wherever possible. But where economic and social conditions have become desperate, or where just demands of labor have been neglected too long, nothing will satisfy the exasperated masses but the fetish of nationalization, and radical concessions in one country will at once affect conditions in others.

The great majority of the German people abhor Bolshevism; they are temperamentally an order-loving people with a passion for hard work, even though at present dishonesty, corruption and even barefaced robbery have made alarming inroads among the distressed masses. The great majority of the German people abhor reaction and are through with the militarists. They want to work out of their present distress and pay any reasonable indemnity that may be imposed. In-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dividually and collectively, however, they are at the end of their tether. They are undernourished—they still live on pitch-black bread, that during my stay contained only 20 per cent of flour—and tuberculosis is spreading at an alarming pace. Their death rate has increased tremendously.[1] Taxation in a hundred different forms takes an amazing proportion of their capital and income, while what little is left of their revenues commands only a fraction of its one-time purchasing power. With all that—though the item of revenue from taxes in the latest budget provides for an estimated increase from 2,500,000,000 marks before the war to approximately 30,000,000,000 marks per annum—a government deficit of some 60,000,000,000 marks still stares them in the face, which is being met by constantly printing more notes and treasury bills. Their ships, their colonies, the bulk of their foreign investments, about two-thirds of their ore mines and about one-third of their coal are gone; a scarcity of coal has laid many industries idle and keeps the people freezing in houses which the rich have to share with the poor; their country is disorganized through foreign occupation and internal troubles,

[1] A prominent New York paper recently carried a report from its Paris correspondent to the effect that the French were disappointed that the Germans did not pay. As a matter of fact, they have paid the Allies in kind some twenty billion gold marks, and they are paying every month two million tons of coal, amounting approximately to $30,000,000 per month. We have lost all sense of proportion if we do not realize the importance of these payments. It is sufficient to realize that $360,000,000 a year (that is some 30 billions in paper marks) is equal to approximately one-third of our pre-war budget. When we bear in mind what an effort it has been for France to pay off $150,000,000 of the loan which fell due in October, though she still has command over a large volume of foreign securities owned by her nationals and though she has colonies, steamers and credit, while Germany has been stripped of all of these, it becomes clear enough that Germany is making very substantial payments at this time. Indeed, a close study of existing conditions may raise some doubts as to her ability to do much more, for, after all, it must be borne in mind that her government must always find ways and means to raise by taxation the equivalent of the coal that she surrenders every year, and it is this side of the problem that requires the most thorough examination. We gain some insight into the significance of these facts when we read the recent statement of the German minister of finance, that in order to pay for foreign securities and properties, ships and other material so far turned over to the Allies (included in the above 20 billion gold marks paid in kind), the government had to incur a debt of approximately 131 billion paper marks!

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

their military protection against riots and insurrections is totally insufficient and unreliable. How, on top of that, are they to pay fabulous indemnities and avoid bankruptcy and social disorder? With all the powers of a dictator, one would not know how to solve such a problem, and if any financier among the Allies or the neutrals can show how it can be done, he should promptly step forward and give the world the benefit of his advice.

The danger of such a situation is that, if driven to desperation, even the sanest population might in the end surrender to the argument of the reactionary to the effect that, if all hope for a brighter future is to be abandoned, it might be better to open the doors to Bolshevism, in spite of its horrors, which then would engulf all Europe and give Germany a chance to start again on a level with her unforgiving victorious enemies.

This is a dark picture, though I have not touched upon many aspects of the case that might have added to its gloom. However, there are silver linings to the clouds, hopeful elements, to which we may cling.

If I compare the impressions formed during my visit to Europe last year with those I have gained this year, I cannot deny that progress has been made, even though it is a source of keen disappointment that it has been so slow. Last year, upon my return, I stated that the most important thing to be done was to "prick the bubbles of false hopes and illusions", that people, collectively and individually, would have to learn to live within their incomes and stop relying on further foreign assistance or on covering their deficiencies by continued recourse to government printing presses. I added then that the world's most determined efforts would have to lie in the direction of deflating ideas along with price levels, but that the real cure would come only through the pressure of hard necessity and suffering. It may amuse the reader to remember that last year these statements were novel. Today this is obvious and trite, and that in itself we may regard as a tremendous step in advance. Last year it took courage and vision on the part of leaders of thought and finance in England, on the continent and in the United States, publicly to subscribe to a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

memorial that expressed similar ideas and recommended that countries should be placed in a position to issue loans secured by first liens on certain revenues, and that no country should be loaded down with financial burdens beyond its maximum capacity of taxation. But in the face of promises made by governments to the effect that the enemy would be made to pay for the entire cost of the war, it was believed impossible at that time to make the public submit to such advanced views.

Today we see labor reconciled and strongly committed to this conservative course, and we find the Brussels International Conference unanimously endorsing practically every principle and recommendation of the memorial—except that it was not permitted by the League of Nations to discuss the question of the indemnity. One witty member of the Conference is reported to have said that it reminded him of a doctor's consultation with a proviso that the physicians would be permitted to look at the patient's tongue but not to examine his heart or lungs. While between the lines of several reports it could plainly be read that the Brussels committees would have had no difficulty in adopting the views of labor and of the memorialists with respect to the indemnity, it must be stated with sincere regret that in the face of the gravest economic disturbances and human suffering it took a full year to call together the leaders of finance, and that when they finally convened they had to submit to such a restriction.

The remarks of the American "unofficial observer", Mr. Boyden, were refreshing in these circumstances. Not being an invited member of the Brussels Conference, he felt, apparently, that he was not forbidden to express his mind. He said that in his opinion American men of affairs did not consider Europe a good business risk until it had settled its quarrels and the conqueror should meet the vanquished half way. These remarks called forth unfriendly comment in some European countries, and, as usual, the American press did not stand by the man who represented the United States in a foreign controversy. But can there be any doubt that Mr. Boyden was right? Hundreds of our men have gone

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

abroad in order to study European conditions and with the eager desire to do business. The tangible results so far (even though the floating credits granted through thousands of individual transactions are estimated to amount to three and a half billion dollars) have been comparatively unimportant. If America really had full confidence in Europe, dollar exchange would not sell at so extraordinary a premium in the strongest countries of the Old World.

The economic disturbance caused by the war will not be fully overcome until surplus food and surplus raw materials existing in some countries are meeting the empty stomachs and idle hands existing in others. Given reasonably steady social and economic conditions, the surplus of goods will travel to meet unemployed and hungry people abroad; that is, capital will emigrate for a temporary or permanent stay in foreign lands. If, however, social and economic, that is credit, conditions are permitted to sink so low that capital dares no longer to undertake the venture, then idle hands and empty stomachs —as far as they survive and are capable of doing so—will emigrate in order to meet the surplus of raw materials. The failure to make a real peace, the fatal procrastination in reaching a condition of finality, is gradually tipping the scales toward the crude and cruel method of a settlement by the flow of people rather than the flow of capital. The sooner we arrest the destruction of wealth and credit in Europe, the sooner shall we stem the threatening tide of European emigration which, if permitted to become an avalanche, will prove a grave menace to the Old as well as to the New World.

Europe is at the crossroads of her destiny, and the decision whether she will sink or rise lies largely in the hands of France. In contemplating the present plight of France and Germany, I am led to compare poor France, with her devastated regions, to a man maimed in the war, showing the stump of a limb shot to pieces in the struggle. Germany, on the other hand, economically ruined, may be likened to a man infected to the core with tuberculosis, hopelessly doomed to death unless the disease is arrested but, to the casual observer, showing no outward signs of the dread malady. Can the poor

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

French invalid expect to regain his strength by a transfusion of blood from so wretched a body? There are those in France who take the moderate and wise view that if Europe with her present form of social order and civilization is to survive, countries must cease to carry on a war after peace, that they must stand together in removing the wreckage and in trying to salvage what can still be saved. Such men are at one with England and Italy in wishing the indemnity question settled promptly and on a reasonable basis. As against this school of thought, there are the "bitter enders", who partly from hatred engendered by the war and partly from fear—both easily understood—say that Germany must be so loaded down with debts and deprived of her coal to such a degree that she can never recuperate. This would imply the reduction of a 60,000,000 people to 40,000,000 by "peaceful penetration", which is a polite expression for starvation, the ravages of disease and wholesale emigration. The difficulty of such a course is that a country so completely ruined would be a bad debtor for France to have. Furthermore, social upheavals in Germany might prove contagious. Finally, as soon as the effect of such a course were fully understood, neither Europe nor we nor the majority of the French people—particularly the working classes—would tolerate it. I do not believe that the world wants to shoulder the responsibility of seeing the fate of Austria duplicated. My own feeling is that the moderate elements in France are bound to prevail ultimately; her financial and economic difficulties and her genuine anxieties are, however, so real and so grave that it is most difficult for her to reach that conclusion.

Victorious Germany, under the leadership of her militarists, overreached herself in 1871 and thereby created a condition which led ultimately to the catastrophe of 1914. She overreached herself again at Brest Litovsk and Bucharest. Poland did the same when attacking Russia, and Russia committed a similar blunder when attempting to overplay her victory before Warsaw. The friends of France should help her to avoid the pitfalls of a similar course. I hope that Hegel's saying, "We learn from history, that men never learn anything

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from history", will not again prove true. No fair-minded person would deny that France is entitled to the most complete military protection against the risk of a military attack by Germany, and that she is entitled to special consideration for her industries crippled by the destruction of war and as large an indemnity as the German nation can possibly pay, but it is obvious that France stands to lose what she is fairly entitled to unless Germany is given a chance to work and become reasonably prosperous. France, suffering, magnanimous and wise, will enjoy the sympathy and active support of all the world. The opposite course, it is to be feared, will lead to a rift in the Entente and a continuation of uncertainty, intrigue and destruction, which Europe is in no condition to stand and survive.

Men in all countries I visited asked me the question: "Do you believe that the United States are permanently through with Europe, or will you again take an interest in our affairs?" My answer was that America, indeed, seemed somewhat tired of participation in European matters; that a generous impulse had led the American people into a fight entered by them mainly for an unselfish and ideal motive, a fight for the respect of right, a war against war. The peace treaty and the subsequent developments had relegated to the background these larger issues to which we had committed ourselves. To have made this supreme effort and then to drop out would, to my mind, in the long run, satisfy America as little as it would Europe. In some form or other, I felt confident that America would come back into the fold, and if, by her hesitation, she should ultimately be instrumental in making the treaty and the League more compatible with her ideals and original conceptions, it might possibly compensate the world for the disappointments and hardships caused by her failure promptly to ratify the peace treaty.

I asked them to be patient with us until after the election, and I cited to them our experiences with monetary reform. I reminded them how the Aldrich plan had failed because, at that time, a Republican President had lost control of a Congress ruled by a Democratic majority; how the Democrats in their platfrom damned this plan and any central banking system; and how,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

once in full power, the National Reserve Association was evolved, not to say camouflaged, by them into the Federal Reserve System, improved in some parts, weakened in others, but carrying into effect the basic idea of the original plan. I told them that I believed, both platforms to the contrary notwithstanding, that if the Democrats should win, the treaty would be ratified with substantial reservations, and that if the Republicans came in, as I thought they would and should, the rôles would be reversed and they would devise some modified association of nations to take the place of the Wilson League in its present objectionable form. I felt confident that we would show in no uncertain manner that we recognized our duties toward the world as a whole and that we would find ways and means to perform them to the limit—provided Europe made it possible for us.

If there is any merit in the thoughts that have been expressed, it is obvious that exchanges and prices will not steady down to old or new levels, and that production will not get up full steam, until the indemnity question is satisfactorily disposed of. For Europe's prosperity depends upon a free exchange of goods amongst her nations.

In the question of foreign exchange which is uppermost in everybody's mind across the Atlantic, all Europe considers itself as one unit matched against the United States. While there are those in Europe who fear the growing strength of the dollar and envy and blame us for being "hoggish", there are others who congratulate themselves and us because we have been able to come back to the gold standard and, by subjecting ourselves to its straightjacket, have managed to put the brakes on unlimited further banking expansion and to make a successful start in deflation. They feel the healthy effect of our policy in the uncomfortable rise of the dollar, which registers the difference between their condition of inflation and ours and thus indirectly applies the brakes to them, and they hope that in due time they, too, may be able to follow our lead. Meanwhile they realize that we must deflate faster than they, because, unless our prices recede, the high rate commanded by the dollar would debar them from buying any substantial measure of our goods.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

On the whole, it must be the policy of European countries to buy as little as possible from us and as much as possible from one another. For strong European countries, however, (primarily for England) this has involved the difficulty that selling to weak European peoples means placing goods largely on long-term credit, while for most of the raw materials we exact cash. This means that the weaker countries have been permitted adversely to affect the exchanges of the stronger, and this movement has been further accentuated by the fact that the stronger European countries have invested billions in the weaker ones, often buying the latter's most treasured properties for a " song ", owing to the bankruptcy prices of the exchanges of some of the broken-down nations.

The financial policies of England, France and some of the neutrals have, of necessity, involved a corresponding loan and currency expansion, a higher rate of exchange for the dollar. It has involved a willingness on the part of these countries to submit to a corresponding rise in the cost of living for the present in order to secure for the future the undoubted benefit to be derived from these foreign investments. From what I could gather, however, British financiers feel that they have gone about as far on the road of banking expansion as they can safely afford to go, and I should not be at all surprised to see London follow a more energetic plan of fighting further loan expansion. Ultimately, such policy, if applied, is likely to lead in Europe to greater unemployment, enforced reduction of prices and a greater willingness on the part of labor to increase production. We may thus live to see an adjustment of prices brought about at the cost of acute suffering, because we proved incapable of effecting it through voluntary efforts toward curbing extravagance and speculation, toward increasing production and saving, and because we floundered and failed in getting the world back promptly on a genuine peace footing.

The danger of the course now to be envisaged is that a period of acute unemployment may be contemplated without alarm only in countries where it is not likely to cause violent political and social unrest.

We all know the cruel sufferings and the social unrest that

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

follow in the wake of a prolonged, unreasonable and unhealthy increase of prices. For six years the consumer has been trying in vain to catch up with the rising cost of living, while the producer and trader have had their innings. We have now entered upon a period when the producer and trader will have to try to catch up with falling prices, and when the consumer—particularly the person with small fixed income—will come back more nearly into his own. As the rise was painful, so must be the fall. To have been the first to arrest this crazy and destructive rise of prices before it took still graver forms, is a real contribution on the part of the United States, for which the world owes us a debt of gratitude, even though our farmers and producers may find it hard to reconcile themselves to that view. I think we are most fortunate at this time to have a Secretary of the Treasury and a Governor of the Federal Reserve Board who are courageous and conscientious enough to disregard the political point of view and to hold to the course that clearly is best for the country, even though it may be unpopular and subject them to bitter and unfair attacks.

If there is common accord, now endorsed by the Brussels Conference, to the effect that one great government scheme could not be found to bring relief, then hundreds of thousands of individual transactions—large and small—must ultimately build the bridge across the ocean. As long as things are dark and puzzling in Europe, the scope of each individual effort—no matter how ambitiously it may be planned—will probably remain within moderate limits. With banks extended to capacity on both sides of the Atlantic, there is no use blinking the fact that today we are rapidly nearing a dangerous *impasse*, which can be broken only if hope and confidence are restored in Europe. As the Old World settles down, as the clouds rise, our participation is bound to grow in importance. For when that time comes, we cannot be content to live in snug affluence while the rest of the world suffers want. Human lives and the progress of humanity will then prove more valuable than a few points more or less in the strength of our banking reserves.

There are certain things, however, which even today we can-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

not afford to neglect, unless, indeed, we are resigned to appear to the world as hopelessly selfish or inefficient. I must confess that I felt shocked and humiliated when bankers in London told me that at this time shippers in foreign lands were abandoning again the use of American bankers' acceptance credits and turning again by preference to the use of English credit facilities. They also told me that American acceptances were "melted" in London (that is, rediscounted there), and they asked, in all sincerity, whether there was any discount market at all in the United States outside of the Federal Reserve banks. Think what it means that at approximately equal discount rates (ours being lower at present than the London rate), our dollar acceptances should go for discount to London and our credits should not be used or not be available at a time when the dollar in world markets sells at a premium of over 25 per cent above the pound sterling, and when the natural preference of a would-be drawer should be to use acceptance credits in the country whose exchanges are highest and fluctuate the least. "Something is rotten in the state of Denmark", and we must make haste to cure these conditions, fair neither to ourselves nor to England, which is very anxious to see us assume our proper share of the burden of financing the trade of the world. If, with all the odds in our favor, we cannot now put dollar exchange on the map, we might just as well give up our hopes and ambitions for America to become a world banker.

A French banker said to me: "Has it occurred to you that in the future, whenever we shall have an acute international political crisis, we are likely to have a financial panic?" I asked him what he meant, and he said that the policy adopted by some countries with respect to the treatment of private property was certain to have that effect. "Suppose", he said, "as an illustration, that there should arise a critical disagreement between England and France; the bankers of both countries would at once begin to withdraw their mutual balances and securities for fear of confiscation in case of war. That would undoubtedly, in every case, precipitate a panic." I believe our bankers ought carefully to study this very serious question. We have nothing to gain and much to lose by joining in a policy of disregarding

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the rights of private property. We shall probably, in the course of time, become the largest owners of foreign securities and properties, which would become endangered in case we were drawn into any war. To me, however, it is of greater interest that nothing be done that might stand in the way of making the United States the gold-reserve country of the world. Bank balances here and bills on the United States ought to become the favorite reserve investment for all the world, and in order to become that, there must not be any vestige of a doubt as to their safety in times of peace as well as of war. It may be interesting to note that the Transvaal Parliament has decided to indemnify enemy owners of confiscated property by offering them the equivalent in Transvaal bonds, so that there is an important precedent that we might follow. Let us bear in mind that from the small seeds of thoughtless blunders have grown the big catastrophes that have shaken the world.

Exchanges cannot be rehabilitated by the magic touch of large loans. It is the degree of productivity of a country and its fiscal policy that will ultimately determine the level on which prices and foreign exchanges may become stabilized. Increased productivity and a stern fiscal policy cannot thrive, however, except where there is peace, where there is hope and a willingness to respect law and order. A constructive peace between estranged nations and classes must be our first goal. As we succeed in reaching it, and I firmly believe we still can, the financial and economic problems will solve themselves one by one. If we miss this aim, if the rudder slips from constructive hands, no one can tell how far into uncharted seas our craft may drift.

PAUL M. WARBURG.

NEW YORK CITY.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE BUDGET SYSTEM IN CANADA

PRACTICALLY all the great countries of the world, with the notable exception of the United States, now possess the budget system of financial administration. The progress of the movement to secure such a system there, marked as it has been by a spirit of scientific research which has resulted in giving a great mass of valuable data to the world, has had a very wide educative value. It has been followed with interest in Canada, where a budget system was inaugurated more than three-quarters of a century ago, long before the different provinces were united in the Dominion of Canada. The Canadian system, originally copied from that of Great Britain, has developed native peculiarities, which are probably the result of the operation of ideals and influences common to both Canada and the United States. Fundamentally, however, the system is British; and it may be observed that where Canada has departed from the British model, as a rule it has not been for the betterment of her financial system.

As good a definition as any of the term "budget" was given in these words before the select committee of Congress appointed to inquire into and report on the adoption of the budget system in the United States:

> A national budget is the instrument through which the several financial operations of the government are co-related, compared one with the other, and brought under examination at one and the same time. It should be at once a report, an estimate, and a proposal. It is a document through which the chief executive, as the authority responsible for the actual conduct of governmental affairs, comes before the fund-raising and fund-granting authority, and makes full report regarding the manner in which he and his subordinates have administered affairs during the last completed year; in which he exhibits the present condition of the public treasury; and, on the basis of such information, sets forth his program of work for the year to come, and the manner in which he proposes that such work shall be financed.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This document must be complete and detailed. It must cover all the financial operations of the government and cover them in such a way that the relationship between past action and proposals for the future revenues and expenditures and assets and liabilities may be clearly seen. The most important feature of a budget is that it shall be all-comprehensive. It must bring together in one consolidated statement all the facts regarding the financial condition of the treasury, and the revenues and expenditures of the government, past and prospective.

Just how closely the budget in Canada approximates to this model we need not discuss here; even in the case of the most perfect tool, much depends on the skill of the craftsman. In the matter of exhaustive details, frankness of statement and comprehensiveness, however, it would be difficult to surpass the budget and budget speech of the present Canadian Minister of Finance, Sir Henry Drayton, presented to the House of Commons in May last. It is a pamphlet of forty pages. In it he first presents the financial position of the Dominion, giving comparative statistics of development for forty or fifty years; goes into detail regarding the country's gross debt of over three billions; and delivers a little homily on inflation of commodities, currency and credits. The trade of the country is analyzed, particularly that with the United States and the United Kingdom. The revenue and expenditure for the fiscal year ending March 31, 1920, are given, as well as for the coming year, 1920-21, the former more or less exactly, and the latter only approximately. It may be noted here—as will be shown hereafter—that a rather cavalier way of estimating is one of the particulars in which Canada departs from the sound British model. After a reference to the acquisition of the Grand Trunk Railway system by the government, our Canadian budgeteer launches forth on the details of that part of his statement which is always awaited with most interest—his taxation proposals. Then follows a reference to tariff revision, which is now (October) under way and, finally, the formal resolutions embodying the proposed amendments to the tariff.

After open rebellion in Upper and Lower Canada (now the provinces of Ontario and Quebec), the British Government sent

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a wise man, in the person of Lord Durham, to investigate Canadian conditions. His report is a model and a guide to the spirit of the Canadian constitution. He advised that the system of responsible government should be introduced, and within the next ten years it was established in all the British North American colonies. And he recommended that the right of private members of the Assembly to introduce money bills should be abolished.

The historians of the period which ended with the establishment of responsible government note the condition of waste and confusion in the administration of all the North American colonies. Speaking of one of the maritime provinces, a contemporary writer says:

> The business of the legislature was conducted with a loose hand. There was no restriction by the government upon the expenditures, but every member had access to the public chest in his own way for the benefit of his constituents, without regard to system, calculation, or economy. The budget was formed not as now by the Provincial Secretary with the whole government answerable for it; but in a haphazard way, every member, no matter how *outré* his ideas of trade, having an equal voice in its preparation. The public monies were expended on roads, bridges, etc., in accordance with the wants or wishes of the inhabitants of particular districts, affording large jobs sometimes to favorites and active supporters of candidates for the Assembly. The most influential members generally managed to get the lion's share in the supply distribution.

The above is somewhat suggestive of those "pork barrel" influences which, we are told, still prevail in the United States. While, as will be shown hereafter, Canadian Governments are not completely removed from personal influences in the recommendations which they make for expenditures, there is no doubt that the budget system, with its responsibility cast upon the Government of the day, is a vast improvement on the regime described above. The same conditions prevailed in all parts of Canada. "Every man proposes a vote for his own job", said Lord Sydenham, who came to Canada to carry out Lord Durham's recommendations, "and bills are introduced with-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

out notice and carried through all their stages in a quarter of an hour. One of the greatest advantages of the union will be that it will be possible to introduce a new system of legislating, and, above all, a restriction on the initiation of money votes." This privilege, needless to say, was one which many private members did not abandon without a struggle. It was, however, strongly advocated, particularly by members of the oppositions; and the great majority of legislators were no doubt pleased with the change, as was the case when political patronage was abolished in Canada on the formation of Union Government in 1917.

The next great step in constitutional and financial development in Canada came with the formation of the Dominion as a federal organization in 1867. The new central government took over much of both the assets and the liabilities of the different provinces, and granted annual subsidies in lieu of customs taxes which were surrendered, in order to prevent the necessity for the imposition of direct taxation by the provinces. The subsidy arrangement has since been the source of some trouble to the federal government. The amounts granted have been several times revised upwards; and further applications for increases are now pending.

The Canadian budgetary and financial system, like so many of the experiments in government which have been worked out on this continent, was adapted from that of Great Britain. It was hoped that the introduction of responsible government in Canada would result, as it had in the mother country, in eliminating greed, selfishness and a somewhat loose conception of public trust, and to a considerable extent this has been effected. How far it has fallen short of this ideal will be noted later. In the meantime, let us look at some of the aspects of the Canadian system as it works in practice.

The fiscal year in Canada begins on April 1. Before the union of Upper and Lower Canada in 1841, it began on January 1; in 1864 this was changed to July 1, and remained so until changed to the present date in 1906. The Canadian Parliament does not meet on any fixed date from year to year but on a date announced by the Government, usually some weeks in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

advance. For some time past this date has fallen not long after the first of the year. When the change was made to July, the governing circumstance in the estimates was the harvest, the returns being made "up to the time when the product of one harvest was completely exhausted, and when the estimates for the future year were necessarily based upon the results of the preceding harvest." This arrangement was confirmed by Confederation; but the need of a further change soon became apparent. Parliament had been accustomed to meet early in the spring; but as the session lengthened with increasing business, the date was thrown back toward the first of the year, making it more difficult to have the estimates ready in time, or for ministers to become conversant with their details. By the final change, in 1906, the public accounts were made to include the period from April 1 to March 31.

Obviously, the most suitable time to call Parliament together is in November, when most of the harvesting work is over, rather than in the spring, which is the farmer's busy time. Not only do the spring sessions seriously interfere with the work of the farmer members, who are becoming so important a factor in the make-up of the Canadian House of Commons, but, owing to our short working season for many kinds of public works, it is desirable that the money should be voted and work begin as early in the season as it is possible to carry it on. Otherwise, it may be nearly a full year after the money is available before necessary public works are begun.

All the public monies and revenue over which the Parliament of Canada has the power of appropriation are covered by what is known as the Consolidated Revenue Fund. The Audit Act provides that "all public monies, from whatever source of revenue derived, shall be paid to the credit of the account of the Minister of Finance and Receiver General through such officers, banks or persons, and in such manner as the said Minister, from time to time, directs and appoints." The Canadian practice differs from that of Great Britain, where certain expenditures, including the civil list (the funds appropriated for the expenditure of the Crown), interest on the funded and floating debt, certain salaries and pensions *etc.*, as well as

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

all permanent taxes, none of which are included in the annual estimates, form the Consolidated Fund.

The public accounts of Canada are conducted upon the same system as those of Great Britain and the United States; that is, upon a cash basis. All appropriations not used at the end of the fiscal year automatically lapse. The accounts of each year show the amounts actually received and paid by the treasury during the year, regardless of whether the expenditures actually belong to that year or not. All estimates submitted to Parliament are for the services to be paid for during the financial year; and all balances of appropriations unexpended at the end of the financial year lapse and are written off. Hence in the printed estimates submitted to Parliament we frequently find the word "revote".

Some leeway is allowed with regard to this rule, however; and in both Great Britain and Canada an extension of time is allowed. In the former country, the Bank of England opens a special account with the Paymaster General, which is to be used during three months to cover the expenditures of the past fiscal year, providing they have been vouchered prior to April 1. In Canada, by means of an order-in-council, the Government may extend for a period of three months the time within which appropriations made for the past fiscal year may be expended.

It is a common practice in Canada, and a very bad one, to include in the estimates large sums which may or may not be spent. This practice, while far from economical, is somewhat reminiscent of some cynic's definition of economy: "Doing without something you do want in case you may want something which you probably won't want." It is one of the particulars in which Canada has got very far away from the English model, where the ends of the estimates meet very closely. Some of these hardy annuals appear in the estimates year after year. Their presence gives rise to constant criticism by the opposition, which professes to see in them devices to provide funds for the sudden beginning of public works as political "bait". The explanation usually given by the Administration responsible is that while circumstances may pre-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

vent the spending of the money during the year for which it is voted, the item must be carried on, since, if dropped, the opposition will complain that its revival is unnecessary. The practice is bad; and, though both parties indulge in it, it is one of which both are more or less ashamed.

The Canadian budget system makes a distinction between capital and revenue expenditures, which in many instances appears to be rather arbitrary and puzzles members of Parliament, as it has puzzled foreign critics. As a matter of fact, there does not appear to be any definite rule or policy governing the distinctions made. The furnishings of the new Parliament buildings, for example, will probably be charged to capital, although there is obviously nothing approaching permanency in their nature. The buildings themselves are, properly enough, charged to capital. To make the matter still more puzzling, it is frequently found that items of a similar nature are in one case charged to capital and in another to revenue —apparently as the exigencies of the Administration for the time being may require. The suggestion is made that this practice offers the Administration an opportunity to conceal too rapidly growing expenditure and to help out an embarrassed finance minister with a surplus. In commenting on this practice, Messrs. Villard and Willoughby, in their investigation of the Canadian budget system, say:

> Regarding the desirability of distinguishing between expenditures for capital outlays and for current expenses there can be no question. The attempt on the part of Canada to make this distinction must, therefore, be held to be one of the merits of its system of financial administration. It is evident, however, that the advantages which should accrue from this policy have been almost wholly lost through the failure on the part of the government to apply the principle properly in practise. This has been due to two things: first, a failure to define what expenditures shall be deemed to be capital outlays and rigidly to adhere to such definition; and, second, a deliberate misuse of the distinction for the partisan purpose of concealing the real trend of government expenditures. The whole experience of Canada in respect to this feature of its system of financial administration furnishes another illustration of the necessity that there shall

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

exist what is aptly termed "a treasury conscience", as well as features nominally conforming to proper principles and practise.

There is, perhaps, no feature of government practice which has attracted more criticism of a serious nature in recent years in Canada than what critics of the Administration have called "government by order-in-council". Statutory provision is made for the issue of a special warrant by the Governor-in-Council for extraordinary or unforeseen expenditures when Parliament is not in session; but it was intended that this should be done only in extraordinary cases. It is not in accordance with the sound British practice which Canada is supposed to follow and is said to be unknown in any other British self-governing state. Although it originated in Canada long before Confederation, it was supposed to be sparingly resorted to; but its use has become so common by all Administrations in Canada as to have grown into an abuse. The number of such orders issued in recent years would certainly seem to indicate at least a serious lack of prevision on the part of the executive. In reply to a question in the Canadian House of Commons last session it was shown that the total number of such orders issued from 1910 to 1918, inclusive, was no less than 57,251. In the overwhelming majority of cases they were for expenditures which could have been anticipated and were certainly not for such rare cases as the statute contemplated, as will be seen from its provisions:

> If, when Parliament is not in session, any accident happens to any public work or building which requires an immediate outlay for the repair thereof, or any other occasion arises when any expenditure not foreseen or provided for by Parliament is urgently and immediately required for the public good, then upon the report of the Minister of Finance and Receiver-General that there is no parliamentary provision, and of the Minister having charge of the service in question, that the necessity is urgent, the Governor-in-Council may order a special warrant to be prepared, to be signed by the Governor-General for the issue of the amount estimated to be required.

The great majority of the expenditures for which the warrants are issued, might, as has already been said, have been

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

anticipated; and there is ample ground for the criticism that the device is largely resorted to for purposes (such as to avoid the appearance of an increase in the estimates) which, while not fraudulent, are certainly disingenuous.

The heart of the budget is, of course, the estimates. The British North America Act, which is the Canadian constitution, provides:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue or of any tax or impost, to any purpose that has not been first recommended to that House by message of the Governor General in the session in which such vote, resolution, address or bill is proposed.

In the present year (1920) the House met on February 26. The main estimates were laid on the table of the House on March 22. The first supply asked for was on March 23, when the Minister of Marine presented a request for twenty million dollars for the government ship-building program. After much discussion (this is a very controversial subject in Canadian politics) progress was reported, but no supply granted. On March 26, the Minister of Finance asked for an interim vote of $62,900,986,09, "being one-sixth of the amount of each item set forth in the main estimates for the year ending March 31, 1921, laid on the table of the House on the 22nd instant."

Considerable discussion ensued, the opposition being anxious to have it definitely understood that, while they were willing to grant one-sixth of the total appropriation, as desired, they were not thereby sanctioning any individual item but reserved the right to pass upon every item appearing in the estimates, a reservation which was agreed to by the Minister. In the course of the discussion, Hon. W. S. Fielding, for many years Minister of Finance in the Laurier Government, drew attention to a matter which has been referred to earlier in this article. He said:

> If it is desired to get to the root of the trouble, the Government must be reminded that they should not have allowed so much time to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

elapse before seeking supply. This House should have been called at a much earlier period. In the olden times when the fiscal year terminated on the 30th of June, Parliament met in January or February. However, it was thought that that time was too late, and for business convenience it was deemed desirable that the session should begin earlier and end earlier. Accordingly, the fiscal year was changed so as to terminate on March 31st. Parliament was then summoned to meet in November or December, and in the intervening time from the 31st of March, it was considered that ample opportunity was afforded to prepare the necessary public documents for the proper despatch of business. The present Government, however, for reasons of their own, have allowed months to pass without taking action. Now they find themselves at the end of the fiscal year with no money voted. The explanation of this trouble is that they should have called parliament several months ago.

However (and what follows will give at a glance the whole Canadian procedure), the resolution was reported, read a first and second time and concurred in. On motion of the Minister of Finance, the House went into Committee of Ways and Means, and the Minister moved the resolution that the supply be granted. The motion was agreed to, the resolution was reported and concurred in. The Minister then introduced a bill covering the matter, which was read a first and second time, reported without amendment, read a third time and passed, the whole operation taking only a few minutes, the visible signs of the formalities required being when the sergeant-at-arms moved up to take the mace from the table of the House while the House was in committee, and to replace it again when the Speaker resumed his chair and had the bill reported to him.

In the estimates as placed before Parliament each session there is a distinction made between fixed and controllable expenditure, which appear under the respective headings of amounts "Authorized by Statute" and "To be voted." The principal fixed expenditures in the current estimates are for such purposes as public debt, civil government, legislation, pensions, subsidies to provinces, Indians *etc.* As a result of the war and the great increase of the public debt, the tendency is for this class of expenditure to increase in volume. The

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

blue book of 71 pages (for the 1920 Parliamentary session), which is the *vade mecum* of every member when the House is in supply, contains the estimates upon which every appropriation of public money is supposed to be based. The estimates therein make a total of $537,149,428.09, which is a reduction of nearly 364 millions from those of the previous year. As the war was roughly estimated as costing Canada a million dollars a day, it will be seen that the above reduction leaves what will probably be close to the normal expenditure until some of the outlays, such as that for soldiers' civil reestablishment, are over with.

It may be assumed that the estimates, as presented to Parliament, are very much below what they were when they left the hands of the departmental heads who prepared them as the irreducible minimum with which they could carry on. This is always the case; and this year, when the official message went from the Finance Minister, inviting estimates of the requirements of the different departments, an announcement was also made that everything was to be "pared to the bone". The departmental idea of paring, however, is different from that of a Finance Minister, who is supposed to be not a man of imagination but a cold and calculating machine, and the keeper of the "treasury conscience". What happens, therefore, is that departmental estimates are probably hurled back once or twice before they reach the Cabinet, where the real cutting down operation takes place. Having passed the Cabinet, they are submitted to the Governor General for a purely formal approval and are ready for Parliament.

While the Minister of Finance, upon whom the most of the responsibility for the budget will eventually rest, naturally exercises a preponderating influence in its preparation, there is no such prestige in his position as that which the Treasury enjoys in the British cabinet.

Thus organized, [says Stourm] the Treasury could not very well limit itself, as does the Minister of Finance in France, to a consolidation or summary of various plans of the different ministers. The high position occupied by its members gives to the Treasury an en-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tirely different influence in the course of the preparation of the budget. . . . It can safely be stated that the Treasury exercises a real right of control in the proper sense of the word, over the estimates of other branches of the service. So far as the civil services are concerned, which means more than half of the services on which votes are taken, the action of the Treasury becomes really dominating, and the preparation of the budget rests with the Treasury.

Fitzpatrick's ideal of what a budget should be (*Budget Making in a Democracy*) largely describes what obtains in Canada. He says:

> The departmental estimates as they are prepared are the expression of the elements of the administration of the government. There is need here particularly for a wider perspective, for a sense of proportion, for a balancing of service against service. The government for the next year or biennium should be run on some plan—preferably a comprehensive plan. This element of plan should be embodied in the budgetary proposals.

Sir George Foster, Minister of Trade and Commerce in the present Canadian Administration and long Minister of Finance in previous Administrations, describes what usually happens when the estimates are up before the Cabinet:

> This was my practice: I never allowed the estimates to go out of Council to be brought down to this House until I had set before Council, in the first place, the amount for capital and the amount for ordinary expenditure which was asked, and then discussed the question with my colleagues as to about how far we could go. After we had settled that, the cutting down process took place.

The estimates are presented to Parliament in two or more sections: the main estimates, which usually come down soon after the session opens; and one or more supplementary estimates. It has sometimes been suggested that this procedure is adopted to lessen the shock. The main estimates are supposed, theoretically, to include appropriations for work already in hand; and the supplementary estimates are for new undertakings. In practice this idea is not maintained. The supplementary estimates very often come down in the dying

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

hours of the session, when there is little chance and usually very little ambition to criticize them minutely. In the Canadian House of Commons, two sessions ago, the members witnessed the spectacle of seeing the Minister of Railways arise on the last night of the session and read out a list of supplementary estimates running not far short of one hundred million dollars. It was within a few minutes of Sunday morning; and there was a race with the clock, while the House gaped with silent amazement at the celerity with which the people's money could be voted.

The comparative facility with which estimates go through the House depends very largely on the personality of the minister in charge of them. If he is a favorite with the opposition—as some ministers always are—the chances are that, unless he is in charge of some great spending department, he gets his estimates through with the minimum of trouble; but there are some ministers whom the opposition takes a delight in "ragging", and who must look forward to their estimates as a school-boy does to his examinations. The minister has his deputy sitting before his desk on the floor of the House, armed with all the data which might conceivably be required by the most captious critic, and if the deputy is alert, he can usually supply in a hurried whisper the information asked for, which the minister himself then delivers to the House with as much *sang-froid* as possible. The old stagers in the administrative game can usually keep themselves out of deep water; but some tyros who have been pitchforked into the cabinet with little or no previous political experience are sometimes made sport of. Modesty and good nature are very useful characteristics in a minister.

The estimates are placed before Parliament in Committee of Supply, which is a committee of the whole House. The Speaker is replaced by the chairman; the mace is taken from the brackets on which it rests on the table by the sergeant-at-arms and placed on others beneath the table; and they go to it. Each sum to be voted in the estimates of each department is numbered and considered separately. There is no limit to interrogation or debate, and any member may speak

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as often as he desires on the same item. No increase in amounts may be moved or granted; that can be effected only through the medium of another message from the Governor General; but the Committee of Supply may adopt a resolution reducing amounts in the estimates.

American readers will not fail to note the fact that the minister in whose departments the estimates under consideration fall is supposed to be on hand to see his own estimates through. It is considered bad parliamentary form for him not to do so; and he hands the duty over to a colleague only when he is himself unable to be present. There is thus presented to the House the opportunity to question, criticize and get every detail of information which ingenuity can suggest. Every item of expenditure must be explained—"explain" is the demand which any member may make when the chairman reads out the item—and justified. If any member knows of any circumstances in connection with the proposed expenditure in his or any constituency which might justify a reduction or complete elimination of the amount, it is for him to tell it to the world. If the minister is not prepared to give full information, he asks that the item stand until he can obtain such. It may thus be seen that, were it not for the bad practice of voting money by order-in-council, already referred to, Parliament would have a pretty tight hand on the purse-strings.

There is in Canada, unfortunately, very little of that spirit which prevails in the British House of Commons, where it is the height of bad form—and, indeed, is not done—for a member to plead for expenditures in his own constituency. There, to paraphrase Omar Khayyam slightly, the Treasury finger writes, and neither piety nor wit nor any other consideration will move it to add or cancel half a line.

In the Canadian Parliament it is not only not uncommon but is, in fact, quite the thing for a member to rise and plead in impassioned accents for wharves, experimental farms, drill halls, or whatever commodity may be involved, for his constituency. Public works should not go by favor, like kissing; but in both cases personality may prevail. Before the abolition of patronage in Canada—it was officially abolished on the for-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mation of Union Government in 1917—a large part of the members' time was taken up in interviewing ministers and coaxing favors of one sort or another out of them. There have been constant and unblushing expenditures for federal public buildings all over Canada, in many cases not as necessities but as favors. This is no fault of the system but of the manner in which it may be operated; and since the war it has been the rule, arising largely out of necessity, to refrain from such extravagance. All appointments to and promotions in the civil service are now made by an independent commission; and there is not a tithe of the waste and favoritism of pre-war days.

With the increase in size of the Canadian budget, the procedure of examination of the estimates outlined above has become increasingly difficult to carry on effectively. Various suggestions have been put forth for acceleration of the passing of the estimates, which, one member declared, took up four-fifths of the time of the House, one proposal being that the less contentious items should be considered in advance and privately by those members particularly interested in any of the items and then passed *en bloc*. In the British House there is a committee which reviews the estimates, though not in a way which could be called thorough.

A good many years ago Sir George Foster drew attention to the great increase in expenditures and the difficulty of even the minister himself exercising an adequate check on them. Since that time expenditures have increased five-fold, and the inclination, or at least the opportunity, to examine them minutely has decreased accordingly. Sir George observed that when he entered the House, items in supply were criticized by members on the government side as well as by the opposition. Such action is now extremely rare, and would be verging on bad form.

While the examination of the estimates by the Committee of the Whole House of course affords every member the opportunity to be present and exercise vigilance, as a matter of fact the attendance is never so thin as when the estimates are under consideration. Unless some very large and contentious ex-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

penditure is under examination, there is seldom more than a bare quorum present; but as members usually reserve their attendance for items of which they have some peculiar knowledge or in which the constituency they represent is particularly interested, a full attendance is not vital, though commendable.

In the United States the reference of estimates to seven or eight different committees may provide, as one writer says, "seven or eight roads into the public treasury", with, as another critic suggests, "as many by-ways as there are members of the appropriating committees." Under the Canadian system also there are by-paths. One of the most vicious of these is the procedure adopted for the consideration of private bills. While our procedure in this matter is based on that of Great Britain, we have secured the letter without the spirit, a statement which is true of many other features in the Canadian system. In both countries private bills involving the expenditure of money for particular localities are sent to standing committees for consideration; but in the British Parliament, members of Parliament never identify themselves with the promotion and furthering of such bills. In Canada, on the contrary, not only do members do this, but, by the use of the system of mutual back-scratching common in all legislative bodies on this side of the Atlantic, they undertake, often with success, to steer such legislation through.

In summarizing what has been written on the Canadian budget system, it may be repeated that it is modeled closely on that of Great Britain. Where the model has been faithfully followed, it has been successful; its weaknesses and failures have resulted largely as a consequence of departures which, in some instances, were apparently necessary under the conditions prevailing in a new country. The tendency at the present time in Canada is strongly in favor of conservatism in finance and a return to the practice originally adopted.

THOMAS M. FRASER.

OTTAWA, CANADA.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

REVIEWS

Some Problems of the Peace Conference. By CHARLES HOMER HASKINS and ROBERT HOWARD LORD. Cambridge, Harvard University Press, 1920.—xii, 307 pp.

An Introduction to the Peace Treaties. By ARTHUR PEARSON SCOTT. Chicago, University of Chicago Press, 1920.—x, 292 pp.

The Peace in the Making. By H. WILSON HARRIS. New York, E. P. Dutton and Company, 1920.—vii, 235 pp.

What Wilson Did at Paris. By RAY STANNARD BAKER. New York, Doubleday, Page and Company, 1920.—x, 113 pp.

The Peace Conference Day-by-Day. By CHARLES T. THOMPSON. New York, Brentano's, 1920.—423 pp.

The Adventures of the Fourteen Points. By HARRY HANSEN. New York, The Century Company, 1919.—xiii, 385 pp.

Across the Blockade. By HENRY NOEL BRAILSFORD. New York, Harcourt, Brace and Howe, 1919.—174 pp.

America's Aims and Asia's Aspirations. By PATRICK GALLAGHER. New York, The Century Company, 1920.—xv, 499 pp.

Considering the widespread ignorance and misconception regarding the work of the Paris Peace Conference, reflected in the press and in the debates of Congress, it is pleasant to note that recent books dealing with the peace negotiations are in the main reliable as to fact and are written with some sense of the historian's responsibility. Even in the most journalistic and superficial of these works we do not find such slipshod statements as that Japan "annexed Shantung", or that "Great Britain has six votes in the League of Nations", or that Article X was devised by the British to keep Ireland in subjection, although these beliefs and others even less warranted are the common counters of popular discussion. It is important, of course, that people should read the best books about the Peace Conference. But should they read *any* of the books here considered they would be on their guard against the cruder myths which have gained circulation.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Some Problems of the Peace Conference, by Professors Haskins and Lord, stands in a class by itself as decidedly the most valuable book which has yet appeared in the English language on its subject. Its only limitation is that of scope. The book considers only political questions, mainly those relating to the mapping of new frontiers. All such topics as indemnities, economic arrangements and international finance are left out of consideration, and the League of Nations is mentioned only incidentally. It is to be hoped that these aspects of the peace treaties may soon be treated as fairly and adequately as Professors Haskins and Lord have covered the problems of the map.

The high quality of the book is due not only to the historical training of the authors and the fact that they were working with the American Peace Commission during the negotiations of the Conference. Though the historical conscience is a guarantee of careful workmanship and a certain sense of proportion, and employment by the American Commission as an "expert adviser" insures a general familiarity with the methods and purposes of the Conference, yet these qualifications of themselves would not enable a historian to write what is really an "inside" history of the negotiations. But Professor Haskins and Professor Lord were singularly favored. They were not only spectators and advisers, they were actual participants in the work of diplomacy, and their hands were more than once on the levers of power which turned the destinies of Europe. Professor Haskins served on the commissions to adjust the western frontier of Germany and was one of the three men—with M. Tardieu of France and Mr. Headlam-Morley of Great Britain—who devised in detail the very elaborate arrangements in the Treaty of Versailles respecting the Saar Valley. Professor Lord, together with Dr. Isaiah Bowman, represented the United States on the expert commissions which traced the frontier between Germany and Poland. Not until President Wilson himself writes a history of the Paris Conference will it be possible for an American to produce a work of superior first-hand authority.

Some Problems of the Peace Conference deals not only with the decisions arrived at in Paris but also with the reasons which lay back of these decisions. Each "problem area", such as "Poland" or "the Balkans", is studied in turn from the standpoint of geography, ethnology, national sentiment, historical tradition, economic status and strategic importance, and the relative weight of these several considerations in determining the decision of the Conference is adequately expounded. The authors always give an impartial account of the claims and arguments of both sides in discussing any disputed territory, though

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

they never hesitate to state their own conclusions at the end. The value of the book is enhanced by chapter bibliographies and a full index. There are several outline maps, but none in color.

An Introduction to the Peace Treaties, by Professor Arthur Scott of the University of Chicago, is a second-hand work which lays claim to no special knowledge not available to the average American reader. It is, however, a well-proportioned and accurate account of peace negotiations both during and after the war and contains a lucid summary of the principal provisions of the various treaties concluded in 1919. As an example of the conscientiousness with which Professor Scott has performed his task, it may be mentioned that on page 110 he corrects from later sources a statistical error in the official summary of the Treaty of Versailles issued to the press in May, 1919. For the general purposes of a reference book, covering compactly the whole field of the peace negotiations, this work is thoroughly satisfactory.

Journalists' history is different from historians' history, but though superficial and inconsecutive in form it may be scholarly in spirit. The best of the journalistic studies of the Paris Conference comes from across the water. Mr. H. Wilson Harris, correspondent of the London *Daily News*, has written an account of *The Peace in the Making* which shows not only common sense and a keen grasp of the fundamentals of the situation but considerable knowledge of what was going on. He knows, for example, that Premier Clemenceau was not the crafty devil of imperialism invented by the "liberal" press but was, at least as compared with other French diplomats, a champion of moderation and compromise. He knows that Mr. Hoover was not only a director of philanthropic effort but also an important diplomatic figure in the course of the negotiations. He gives President Wilson's original draft of the much-discussed Article X of the League of Nations Covenant (page 152). By these and several other tests Mr. Harris's book is shown to be well informed, and if it is less dashingly written than the works of Keynes and Dillon, its studied moderation of tone is more convincing.

Mr. Ray Stannard Baker was at the head of the American Press Bureau during the peace negotiations, and his account of *What Wilson Did at Paris* is based on a close acquaintance with the course of events. It contains nothing that is not true, but it is perhaps open to the charge that it is the truth *dramatized*. Mr. Baker discusses the story of the Peace Conference as a sequence of five diplomatic crises: (1) the conflict with the British, or rather with the British colonials, over the mandatary system for the German colonies; (2) the fight over the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

incorporation of the League Covenant in the Treaty; (3) the obscure crisis in April, probably with the French, which led President Wilson to summon the *George Washington* to Brest; (4) the crisis with Italy over the Jugoslav frontier; (5) the Shantung settlement. It is perfectly true that each of these conflicts took place, and that President Wilson was the center of each, but to make the whole work of treaty making revolve around these temporary crises is like Creasy's method of considering all history as the resultant of "fifteen decisive battles". But Mr. Baker does not permit his overemphasis of the factor of conflict to lead him into the error of considering all Europeans as alike "imperialistic". "The British liberals and their excellent newspapers", he acknowledges, "helped him [President Wilson] more than any other single group in the world—better than any single group in his own country". Mr. Baker's sympathetic defence of President Wilson's diplomacy is greatly helped by the charm of his style. Of all the accounts of the Paris Conference, though others have contained more detailed information, none ranks so high as literature.

The Peace Conference Day-by-Day, by Charles T. Thompson of the Associated Press, and *The Adventures of the Fourteen Points*, by Harry Hansen of the *Chicago Daily News*, may be grouped together as narratives of the diary type. They are merely relations of the day's events as seen by journalists waiting on the diplomatic threshold. But they deserve praise not only as collections of interesting diplomatic gossip but also for the understanding sympathy they show with the complexity of the tasks which confronted the statesmen at Paris. Mr. Thompson's book contains an important interview with President Wilson, in which the President asserted that "the Treaty adheres to the Fourteen Points more closely than I had a right to expect" (page 414).

Mr. Brailsford's record of travels in central Europe after the armistice, *Across the Blockade*, owes all of its value to its first-hand account of revolutionary days in Poland, communist Hungary and other parts of the political earthquake zone. His discussions of the treaties with Germany and Austria are untrustworthy, not so much because of his hostility to the point of view of the statesmen at Paris, for everyone has a right to his own opinion as to the merits of a treaty, as on account of hasty verdicts with regard to particular points of fact. For example, he asserts that in the Saar district France will have unlimited power by the introduction of foreign workingmen to secure a favorable result from the plebiscite eventually to be taken (page 163). But the Treaty expressly stipulates that only persons "resident in the territory at the date of the signature of the present Treaty" will have the right

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to vote in that plebiscite. He also makes the amazing statement that all the German parts of Bohemia "could with ease have been detached to join their race-fellows of the Austrian and the German Republics" (page 164). One glance at a topographical map of Europe would disprove this "ease".

America's Aims and Asia's Aspirations, by Patrick Gallagher, is an interesting but rather perplexing book. Like Dr. Dillon's *Inside Story of the Peace Conference* it delivers effective attacks on the statesmen at Paris, but from so individual an angle that it is not easy to guess in which direction the diplomats wandered from the true path. Mr. Gallagher is indignant that China should have lost Kiaochau and the Shantung concessions, but he is not a mere anti-imperialist or pro-Chinese advocate, for he proposes (page 407) that a large part of Manchuria should go to Japan. He considers that American diplomacy blundered in its handling of the Shantung controversy, yet he pays high tribute to the three American specialists at Paris on Oriental and colonial affairs, Mr. Williams, Mr. Hornbeck and the late Mr. Beer, and holds that President Wilson's chief error was in taking too little of their advice and listening too much to Colonel House. He condemns us on the one hand for "our unpardonable failure to do anything practical to help our poor dupes, the Chinese millions", and on the other hand for "our deliberate and despicable provocation of Japan" (page 410). Mr. Gallagher writes in a racy and readable style, he has a strong sense of humor, warm sympathies and some gift of characterization, and he had the advantage of personal friendship with the Chinese and Japanese diplomats at Paris as well as with the American experts on Oriental affairs.

PRESTON SLOSSON.

NEW YORK CITY.

The German Empire, 1867–1914, and the Unity Movement. By WILLIAM HARBUTT DAWSON. New York, The Macmillan Company, 1919.—Two volumes: xviii, 496; x, 535 pp.

Than Mr. Dawson no Englishman is better qualified to tell the story of Imperial Germany. Known for many years as the sympathetic, though never gullible, interpreter of modern Germany to the English-speaking world, he has here summed up his knowledge and judgments on the historical process by which the particularistic German states were welded into the unified German Empire and on the policies pursued by the Imperial Government, both domestic and international, from 1871 to 1914. The work, though written in the midst of the Great War,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

betrays neither hysterical vaporizing nor unseemly vindictiveness. In the best sense it is objective, critical and highly instructive. It is characterized throughout by common sense and illumined with gracious humor.

Undoubtedly Mr. Dawson is the prophet of a whole school of historians who during the next generation will be reconstructing and reinterpreting the Germany of the nineteenth century, supplanting the Treitschkes and Sybels, discarding the myths of the modern Teutonic Valhalla, discovering the feet of clay on which stood the Hohenzollerns and even the Bismarcks, and digging deep to find the origins of the German Revolution and of the German Republic. Some progress in this direction Mr. Dawson makes.

> It is usually profitless [he observes] to speculate upon the "might have beens" of political history, yet it is justifiable to believe that if Prussia a hundred years ago, resolutely emancipating herself from Austrian influence, had decided to place herself at the head of the liberal movement in Germany, a whole crop of subsequent problems and disasters might have been avoided, . . . but Frederick William III was at heart a despot with a weakling's will; distrustful of his people and not less so of himself, suspecting in every liberal idea the germ of revolution, he allowed the precious opportunity to pass by, and so hardened the tradition of Prussian autocracy that not one of his successors has wholly cast it aside [I, 20].

He goes further. He seeks to rescue the ill-starred Frankfort Assembly from the contumely under which it has long lain; the blame for its failure he puts not upon the "professors" who composed it but chiefly upon Schwarzenberg and upon Frederick William IV; "there is truth in the verdict", he concludes (I, 74–78), "that the 'professors' Parliament of Frankfort' was more statesmanlike and saw more clearly the needs of Germany than the Sovereigns who destroyed its handiwork." In fact, it may be inferred that Mr. Dawson, breaking with the traditions of modern German historiography, rejects the notion of fatalism and "inevitability" as applied to the failure of the speeches and resolutions at Frankfort and the success of the Bismarckian methods of blood and iron. "Events only become inevitable", he philosophizes (I, 19), "because definite causes lead to definite results, and when we speak of the 'nature of things' we really mean the nature of the men who govern things and direct events into the channel of deliberate purpose and calculated design." Bismarck's "success" was not quite a success after all, for, "instead of becoming more European, the nation thus elevated before all the world became more German; the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

old cosmopolitanism, which, while a political weakness, had been one of the distinctions of disunited Germany, gradually but surely succumbed to an intensely vivid and powerful nationalism; particularism in Germany gave place to particularism in Europe and the commonwealth of nations" (I, 896). With what result the Great War has amply demonstrated.

Bismarck, it has been universally recognized, was the "maker of German unity"; how completely and *uniquely* he merits the designation is impressively witnessed by the book before us. On every page of the two large volumes is evidence of what he achieved, often single-handed, and of the heritage which he left to succeeding chancellors and to the German nation. Mr. Dawson might well have entitled his work "Bismarck's Public Career and its Aftermath".

No longer, in the light of the Great War and the German Revolution, is it possible to glorify Bismarck as an all-wise, all-prescient, infallible demigod. Yet still so potent is the spell which his achievements have cast over mankind that only the boldest and most provocative historians of the new era will have the temerity to set forth the view that Bismarck builded worse than he knew, that he paved the way as inevitably as any way can be paved for the greatest war in history and for the speedy destruction of his own handiwork—the loss of Alsace-Lorraine, of Danish Schleswig and of the Polish provinces of Prussia; the expulsion of the sovereigns; the disarmament of the country; the triumph of Socialists and Centrists; and the deliquescence of that political and social Germany whose servant—and master—he had always been. To no such extreme does Mr. Dawson go. He is neither provocative nor bold. As becomes the "moderate" student who appreciates the past more than the present, he pictures Bismarck as a bad man albeit a great statesman, a wonder-worker without a halo.

> No modern statesman succeeded in an equal degree in attaining great ends by questionable means, so deliberately and systematically did evil in the hope that good would come of it, or was so skilled in establishing plausible justification for morally indefensible acts. . . . By the spirit and methods which he introduced into political life Bismarck did much to pervert the moral sense of his countrymen and to lower the standard of public right in Europe. . . . He spoke often, indeed, of the moral *imponderabilia* which he held it to be folly in a statesman, regardful of public opinion, to ignore, yet when he allowed for these impalpable forces he did so because of the importance attached to them by others and not from any esteem felt for them by himself [II, 264–265].

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Nor was Bismarck infallible. Mr. Dawson points out repeated mistakes in his policies—his unsuccessful attempt to stir up the Hungarians to revolt during the Seven Weeks' War, his fateful acquiescence in the military demands for the annexation of Alsace-Lorraine, his warfare with the Catholic Church, his persecution of the Socialists, and, most serious of all his miscalculations, in Mr. Dawson's opinion, the alliance of 1879 with Austria and the resulting break with Russia. Nevertheless, Bismarck's errors of judgment and transgressions of the moral law are condoned because they "were committed for his country's sake, for its profit and not his own, and perhaps in judging the deserts of public men patriotism may cover the multitude of sins" (II, 266). In other words, Bismarck may have been a scoundrel, and not always a judicious scoundrel, but "patriotism" is his first—and last—refuge.

Mr. Dawson's book is disappointing in two respects. In the first place, it sacrifices a detailed analysis of domestic politics, a field peculiarly the author's own, to a general discussion of international relations so comprehensive as to furnish the reader with much the same insight into the foreign policies of England, France, Russia, Italy and Austria as into those of Imperial Germany. It is too narrowly diplomatic; it opens wide the closets of Bismarck and William II and thereby obscures, perhaps unintentionally, the ambitions and aspirations of significant sections of the German people. For example, the increasing difficulties which Bismarck encountered in maintaining friendly relations simultaneously with Austria and with Russia would become more comprehensible if attention were paid to the pro-Austrian traditions of the Centre Party and to the pro-English sympathies of the Radicals and Socialists, just as a proper regard for the fundamental conflict in modern Germany between the agrarian Conservatives and the industrial Liberals would have illuminated the trade relations of successive Imperial Governments with foreign countries from Bismarck's time to Bethmann-Hollweg's. Similarly, the dismissal of Bismarck in 1890 and the immediate reversal of many of his policies were due probably less to the personal antagonism of William II than to the subtle fact that for the first time the Socialists, the Centrists and the Radicals,—Bismarck's particular *bêtes noirs*,—had swept the country in 1890 and were unitedly resolved to have done with the First Chancellor and all his works. It is not without significance that these three parties constitute the governmental *bloc* of the present German Republic.

Herein is the second disappointment with Mr. Dawson's work. By neglecting to treat of the political parties and social classes in Ger-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

many, it fails to acquaint us with the background of the German Revolution and the present republic. In an almost reactionary manner Mr. Dawson applauds the National Liberals; he praises their nationalism and passes over their illiberalism; as though hypnotized by their name (for Mr. Dawson himself is a real Liberal), he seems to forget that the National Liberal Party, by its hearty cooperation with Bismarck in enacting exceptional legislation in the 'seventies, first against Catholics and later against Socialists, dealt hard, decisive blows against liberty and democracy. On the other hand, throughout his work, Mr. Dawson slights the Socialists, scoffs at the Radicals and is downright unfair to the Catholic Centrists. He minimizes the democratic and liberal elements in the Centre Party; he makes no reference to the Party's long, consistent opposition to militarism; he does not mention its share in tariff agitation or in early social legislation; he treats Windthorst only as a tactician, not as a leader who in the long run was to prove quite as "statesmanlike" as Bismarck himself. Nor is it fitting to affirm that "Bismarck cordially hated the Jesuits, who was himself the greatest of Jesuits" (II, 262). The Jesuits have borne much, especially in Germany, but to carry the burden of Bismarck's sins is too heavy a burden even for them.

Unfairness on the part of Mr. Dawson is the more striking because it is rare. On the whole, he is the incarnation of objectivity. Of Anglo-German relations no more impartial or fairminded outline will probably be penned than has been written by this Englishman in the midst of a herculean struggle between the two countries. For instance, he says frankly (II, 213) that in the colonial controversies of 1884 and 1885 "England put herself in the wrong", and this he supports and amplifies. Again, he voices a conviction that the Moroccan policy pursued in 1904 by France and England was responsible in considerable part for the international discords of the succeeding decade (II, 472) and contends that there should have been, instead of a partially secret Franco-British Convention, "a perfectly straightforward arrangement open to the whole world, concluded either by France, Spain, Great Britain, and Germany, or by the whole of the States interested in the Madrid Convention" (II, 438).

It is unfortunate that the first edition of a classic, such as the present work is bound to become, should not have been more carefully proofread. Japan entered the Great War before, and not after, Italy (II, 523). The German law against the Socialists was in operation twelve years, not ten (I, 483). And the lower chamber of our American Congress is not called the House of Deputies (II, 79).

CARLTON J. H. HAYES.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The War with Mexico. By JUSTIN H. SMITH. New York, The Macmillan Company, 1919. Two volumes: xxii, 572; xiv, 620 pp.

If there is one tradition more firmly established than any other in American historical writing, it is that the Mexican War was a disgrace to our country. Schouler, Rhodes, Von Holst, in short, practically every historian who deals with the "middle period" (except Burgess, Rives and Garrison), condemn the administration of President Polk for bullying poor, weak Mexico into war by its aggressive imperialism in the interest of slavery. Schouler speaks of our "profligate contempt of Mexico's rights of sovereignty" and of our "repeating in Mexico the story of Pizarro, only with shabbier embellishment" (II, 443, 446). Rhodes says that "Mexico was actually goaded into the war", and that "negotiation in the same spirit as that had with Great Britain would have undoubtedly settled the difficulty" (I, 87). Probably the chief source of the popular conviction of the wickedness of the Mexican War is James Russell Lowell's *Bigelow Papers*, which so mercilessly ridiculed the talk of our "destinies", and counselled resistance to the recruiting sergeant in language that would have landed the author in Leavenworth if used after April 6, 1917.

Professor Smith did not set out to justify the Mexican War. "His view of the war at the outset of his special inquiries", he confesses, "coincided substantially with that prevailing in New England, and the subject was taken up simply because he felt that it had not been studied thoroughly" (page ix). The time has come, he believes, when "new opinions, resting upon facts, will be acceptable in the place of opinions resting largely upon traditional prejudices and misinformation" (*ibid*).

Every student of Professor Smith's earlier work, *The Annexation of Texas*, knew what to expect from the author in the way of diligent and judicious exploitation of the sources; but the most prepared must stand astonished before the imposing array of justificative material on which the present volumes are based. Of the approximately 1200 pages of the work, 350 are devoted to notes in fine print, corroborating, with accumulative evidence often reaching a score and more of references, every controvertible statement or judgment in the text. There is an appendix of 42 pages, containing more than 2000 titles of archival deposits, manuscripts, personal papers, books, pamphlets, magazines, newspapers and serials. The volumes consulted in the Archivo de Guerra at Mexico City alone, says the author, "occupy some 200 feet of shelf

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

room; and the papers examined in the Archivo de Guerra y Marina . . . would probably, if placed one on another, make a pile 60 feet high" (I, 403). This enormous mass of material, with equally voluminous sources in the archives at Washington, is the bedrock foundation of Professor Smith's solid structure. Surely, the most exacting scholar could not ask for better evidence of scientific responsibility.

But it is not alone the demands of the scholar that have been generously satisfied in Professor Smith's work. The educated reader who enjoys a style compounded of vigor, justice, color and fine discrimination, will lay down the volumes with a feeling of regret that his intellectual feast is finished. There is not a dull page from beginning to end. Whether he is describing an engagement among the hills of Nuevo Leon or discussing the mazes of Latin diplomacy or exposing the inconsistencies of the Whig obstructionists at Washington or delineating the shifty character of an opportunist at Mexico City, the author carries us along with a consentment that is never disturbed by the misgiving that rhetoric is being used as a support for untested conjecture. It is not an exaggeration to say that some of the descriptive passages, like Scott's landing at Vera Cruz (II, chapter xxii) or Wool's march from San Antonio to Agua Nueva (I, chapter xiii) or the battlefield of Buena Vista (I, chapter xx), rise to the majestic style of a Macaulay or a Trevelyan.

Professor Smith states that he had a threefold purpose in preparing this work: the conviction that the Mexican War had been neglected by American historians on account of its unpopularity; the belief that in such accounts as exist "a number of important topics" (such as the conditions in Mexico just before the war, the influence of American politics on the war, the attitude of foreign countries toward Mexico and the United States at the time) had been "treated superficially or not at all"; and the desire "to handle more carefully the material previousiy used." How well the last purpose has been fulfilled we have already seen; and few will question the statement that the Mexican War, considering the enormous consequences that it brought, has not received adequate attention from American historians. The student and the general reader alike will be most interested, we believe, in certain chapters (I, chapters i–vi; II, chapters xxi, xxxiv–xxxvi) in which Professor Smith discusses the genesis of the war, its justice, the method in which it was conducted and the nature of the opposition to it.

On all these points the author has reached conclusions at variance

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with the traditional view and has fortified these conclusions with a wealth of contemporary testimony which must convince the most skeptical. He has exposed with skill and patience the unsoundness of the syllogisms in which our historians have generally reasoned. For example: President Polk wanted California; a war with Mexico occurred, and California was ceded to the United States; hence, Polk went to war with Mexico to get California. Or, the South wanted more slave territory; the war with Mexico brought the recognition of the annexation of Texas and the cession of New Mexico; hence, the war was fought to extend slave territory. Or, Mexico was a weak power; the United States was strong enough to conquer her; hence, the United States attacked Mexico and robbed her of her fair provinces. The conclusions do not follow logically from the premises. Undoubtedly Polk wanted California—as did many of the Whigs. Expansion was a popular slogan. The "destiny" of the United States to occupy the whole continent from the Atlantic to the Pacific was a tradition cherished since the days of Jefferson. But Polk was not willing to go to war with Mexico for the sake of acquiring California. On the contrary, he was ready to sacrifice the hope of gaining California for the sake of keeping peace with Mexico. His instructions to Slidell, our envoy to Mexico, in November, 1845, were explicit. Slidell was to take up our claims on the Mexican government in "a prudent and friendly spirit". "If you can do so without endangering the restoration of amicable relations with Mexico and the adjustment of the Texan boundary, endeavor to purchase at least the northern part of California, including San Francisco Bay, but at all events conciliate the good will of the Mexicans, even should their vanity and resentment prove trying" (I, 95). Unless we are to adopt Alexander H. Stephens's theory that this was all the camouflage of "Polk the Mendacious"—a theory which would reduce the historian to a plane a little lower than the fortune-teller's—we must regard the foregoing instructions and many other of like tenor as sincere attempts on the part of the administration to compose our differences with Mexico.

The plain truth is that Mexico did not want to have those differences composed. No one of the military adventurers who succeeded each other so rapidly in the possession of the Mexican government (*i. e.*, of the treasury and the mint) could hope for a fortnight's tenure of power unless he flattered the spirit of malignant chauvinism which had taken hold of the Mexican people. A perusal of Professor Smith's fifth chapter on "The Mexican Attitude on the Eve of the War" ought to dispel from the mind any lingering trace of the doctrine of American

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

aggression. The Mexican press heaped insults on the United States, calling our flag "a dirty rag" which covered "cowards and bullies". The Mexican politicians, "with that fatal fluency which their intoxicating idiom encouraged", inflamed the people and the press: "We have numerous and veteran forces burning with the desire to gain immortal renown", said the Official Bulletin of San Luis Potosi. Herrera and Paredes refused to treat with Slidell, even to give him an audience, because they were afraid of running counter to the truculent war spirit of their people. Even Daniel Webster, who hated the Polk administration, declared that the behavior of Mexico was "highly unjustfiable". The British consul at Mexico City, who certainly was not anxious to see amicable relations established between Mexico and the United States, acknowledged that our diplomatic conduct was "perfectly correct". Though one may make a quarrel, it takes two to make it up. "Out of their own mouths" Professor Smith has convicted the Mexicans of the responsibility for the war: Ramirez said that it was due to his country's "procrastination and vanity"; Santa Anna himself confessed in 1847, "Mexico desired it" (I, 442).

As to Mexico's pretext for war in the annexation of Texas, and Polk's aggressiveness in sending General Taylor to the Rio Grande, Professor Smith brings abundant evidence to show that Mexico had little interest in Texas and no expectation of subduing it. Many of the Mexican officials, according to Santa Anna's own statement, "did not know where Texas was or what nation claimed it". Whatever the objections might be to the expediency or the righteousness of increasing the slave territory, the legal right of the United States to annex the independent state of Texas was clear. We were anxious to adjust every question of boundaries and claims arising from that annexation, but Mexico absolutely refused. Taylor's march to the Rio Grande was for the defence of the soil of Texas, a state of the American Union. It was parallel to General Pershing's recent march to the borders of New Mexico. Long before Taylor appeared at Corpus Christi, the Mexicans had planned and ordered the invasion of Texas. The plans of the Mexican engineers for crossing not only the Rio Grande but also the Sabine were prepared in 1845. Mejia ordered irregular troops into Texas in February, 1846. Mariano Otero, a Mexican senator from the state of Jalisco, wrote in his paper, *El Siglo XIX*, in October, 1847: "The American forces did not advance to the Rio Grande until after the war became inevitable, and then only as an army of observation". Taylor even offered to keep the river open to commerce if the Mexicans would refrain from hostilities. But Gen-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

eral Arista had his orders from President Paredes, dated April 18: "It is indispensable that hostilities begin, yourself taking the initiative" (orders captured in Arista's baggage and printed in the *Washington Union* of August 27, 1847; I, 458, note 35). President Polk's laconic statement to Congress that war had been begun by the act of Mexico on soil of the United States was literally true, in spite of all the Whig objections and "spot resolutions".

It is true that we were a strong nation, and Mexico a weak and distracted one. But weakness does not give immunity to injustice. Benton's sneer that we marched down to the Rio Grande because Mexico was a weak power, and did not march up to the parallel 54° 40′ because Great Britain was a strong power, is not pertinent. With an infinitely better case against Mexico than against Great Britain we made far more honest and honorable efforts to reach an agreement. If we composed the case with England, it was because we were dealing with an opponent willing to treat, courteous, reliable,—in a word, civilized. It is true also that the Mexican War brought a train of woe for the American nation; but the rejection of the Wilmot Proviso has no logical nexus with Polk's announcement to his cabinet on April 21, 1846, that our relations with Mexico "could not be permitted to remain as they were". It was, in short, an unfortunate coincidence and not a "sinister conspiracy" that connected our long overdue reckoning with the Mexican republic with the bitter slavery struggle of 1850. If there were northern Whigs who opposed the war because they believed that it would further the slavery interests, there were also southern Democrats who opposed it because they feared that it would weaken those same interests. Calhoun was a conspicuous example of the latter class, protesting against a policy which would be a drain on the man power of the South, for the sake of enhancing and further "consolidating" the federal power.

Professor Smith's chapter on "The War in American Politics" (I, chapter xxxiv) is a startling revelation of the conduct of the Whig opposition in Congress and in the press. No abstract of it can suffice. The whole chapter must be read for an appreciation of the inconsistencies and insincerities of the men who opposed the war because it was conducted by James K. Polk, while they "groomed" the "Hero of Buena Vista" for the presidency.

Those students of American history who, like the reviewer, have been unwilling to accept the traditional interpretation of the Mexican War as a disgraceful episode in our country's annals, will derive comfort from Professor Smith's volumes. And those who are still minded to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cast the blame on our government will find it difficult to deal with material which the author furnishes to show that "no other course than that taken by Polk would have been patriotic or even rational".

DAVID S. MUZZEY.

Woodrow Wilson and his Work. By WILLIAM E. DODD. Garden City, Doubleday, Page and Company, 1920.—xiv, 369 pp.

This is an excellent and important book. In the first place, its author had exceptional qualifications for writing it. Like the President himself, he is of Southern antecedents; and there are few persons who know Southern life and thought so well, and perhaps none who can interpret them more accurately. He writes clearly and vigorously. He is a trained historian, and he recognizes the special obligation which rests upon the writer of contemporary history to deal with his subject in a spirit of truth and justice, lest he mislead later generations as Parson Weems long misled Americans with his fictions about George Washington.

In the second place, the book represents prolonged and painstaking research. Personal acquaintance and occasional conversations with the President; consultations with numerous men of information and of the most varied views, in public and private life; careful use of the printed materials; discriminating personal observation, backed up by an unusual understanding of the whole sweep of American history—these are the ample sources from which the author has drawn in every part of his work.

Finally, the book is much more than a mere biography. The central figure is throughout set against the background of his times, and after a few early chapters of an essentially biographical nature are passed the volume broadens into practically a history of the United States in the decade 1910–19. A surprisingly large amount of history, indeed, is compressed into two or three hundred pages of print.

The reviewer's opinion is that no better account of Woodrow Wilson's early environment and training and of his career as college professor and university president will ever be written. Concerning the remainder of the book no such opinion can, of course, be expressed. It deals with great movements, complex conditions, mighty controversies; and even if the evidence were all in hand, the author himself would be the last person to aspire to finality of treatment at this time. The "final verdict", he remarks, has not yet been pronounced upon Julius Caesar! All that we have a right to ask in this portion of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

work is fullness and exactness of knowledge, clearness of vision and impartiality of judgment.

On the first of these scores no fault can be found with Professor Dodd's chapters. He is scrupulously careful about statements of fact and seems to have verified data taken, as much had to be, from newspapers, year-books and other more or less fallible sources. One cannot be so sure that his vision has always been clear or his judgment impartial. It is refreshing to come upon an account of our recent American history which so lucidly explains the clash of economic interests running through it; yet does not the author's sympathy with the rural, agricultural elements, and especially the agricultural South, lend just a tinge of harshness to his allusions to industrial and capitalistic policies and enterprises?

More serious is the question whether the author's admiration of the President has not too greatly colored his estimate both of the man and of his public acts. President Wilson has been shamelessly vilified in certain quarters, and a sympathetic analysis of his purposes and labors, such as is contained in Professor Dodd's book, is most wholesome, even though the vilifiers themselves will never read it. But Professor Dodd seems to the reviewer to have swung to the other extreme. He does not, indeed, approve of the President's course in every particular. He admits that the cabinet appointments were not of the best, and he says flatly that the civil service has not been handled as it should have been by a life-long advocate of civil service reform. But he endorses, practically without reservation, everything that Mr. Wilson said and did in connection with Mexico, the entrance of the United States into and its share in the World War, the peace treaties, and the League of Nations.

These are, of course, contentious matters, upon which Professor Dodd would not expect all of his readers to be in full agreement with him. Some will not follow his argument palliating the admitted violations of the Constitution in the matter of free speech. Others will not be satisfied with the manner in which the President's appeal for a Democratic Congress in 1918 is glossed over. Still others will want fuller light on the reasons for the abandonment of the principle, "only a peace between equals", for the surrender of certain of the Fourteen Points, for the successive defeats suffered at Paris. Many fair-minded people will find nothing in Professor Dodd's book to convince them that the President, by his aloofness, his self-confidence and his refusal to recognize and act upon conditions as they were, did not bring the embarrassments of the past year and a half upon his own head, and with them grave disadvantages for the country.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In short, Professor Dodd does not go into some matters that seem necessary to the full record of the President's rôle in the war period, and his exposition occasionally has the appearance of brushing aside somewhat cavalierly honest and weighty criticism of the Wilsonian policies. But, despite these strictures, it would be ungracious not to hasten to add that the book is a rare example of dispassionate writing amid the heat of personal and party conflict.

FREDERIC A. OGG.

UNIVERSITY OF WISCONSIN.

Chapters in the Administrative History of Mediaeval England: The Wardrobe, the Chamber, and the Small Seals. By T. F. TOUT. Manchester, University Press, 1920.—Two volumes: xxiv, 317; xvi, 364 pp.

This book might well be rechristened "The Book of Bifurcations". Its province lies in the endless subtle institutional splittings-off from that primitive governing body, the royal household. One after another, great departments of state "went out of court" and became "national", and still the "court" remained, functioning vigorously, and personal to the king. Yet but a very small part of this province is touched in detail—only the strictly administrative, in the thirteenth and first quarter of the fourteenth centuries.

Mr. Tout was led into this field by reading M. Deprez's book on the diplomatic of the small seals of England (*Étude de diplomatique anglaise: Le Sceau privé, le Sceau secret, le Signet*, 1908). He determined to look into the administrative and political importance of the small seals; and this was the first piece of work done and the first part of the present book written. But no full study of the small seals could be made without a study of wardrobe or chamber; and an orderly presentation of such household administration as was left at the end of the twelfth century required some introductory account of the exchequer, which had largely gone out of court by that time, and of the chancery, which was to go out during the thirteenth century. The two volumes now published carry the history of this central administrative core to the end of Edward II's reign, the reign which is the author's special period (see his important *Place of the Reign of Edward II in English History*, 1914); while in two more volumes, which he hopes will appear "within a couple of years at the most", the work will be brought to 1399 and completed. He chooses this date as his stopping place because medieval household administration had then reached its full development. Lancastrian constitutionalism

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

meant its decay, and the Yorkist period was introductory to the Tudor household, which was essentially different.

At the beginning one is carried back, very briefly, to the primitive Anglo-Saxon household, and the imagination is a bit stirred by this far-off time when royal chambers were chambers and wardrobes were wardrobes. Then comes the long and curious story of places and material things changing into institutions, with traces of the old place or thing ever likely to make a sudden appearance, and that even far down the centuries. Mr. Tout is careful not to repeat what has appeared in classical works on the treasury and exchequer or to anticipate what his formal pupil, Miss L. B. Dibben, is to publish on the chancery as a secretariat; but incidentally there are addition and clarification: *e. g.*, reasons for the relatively rapid treasury differentiation in England, post-Conquest evolution of fixed treasure places or storehouses, supersession of feudal magnates by clerical officials (an important theme all through the book), origin of a treasurer for England as distinct from Normandy, early distinction between a fixed treasury and an "itinerating" exchequer, how the treasury at London finally superseded that at Winchester, how seals necessitated chancellors, twelfth-century chancellors as "primarily and essentially" keepers of the seal (on this point differing from Poole, Round and Haskins), the chancellorship before and after Becket, how the Anglo-Norman and Angevin chancery was leading Europe, and a specially useful account of the beginnings of the chancery enrolments.

A discussion of the chamber as a "solidly organized institution" under Henry II, of the use of seals in England as distinguished from the notarial system on the continent, and the first evidences of a reduplication of seals toward the end of the twelfth century, brings the author to the beginning of the body of his work in the reign of John. Here appears a most important change, "the first clear indications of the growth out of the chamber of a substantially new administrative department of the household, called the wardrobe, which soon begins to usurp the work of the chamber, and to acquire, roughly speaking, a separate and independent position of its own." It is with extreme hesitation that a reviewer who has not studied the subject raises a question which touches the central theme of a technical book. But he may fairly say, as a reader without prepossessions, that the reasons observable for this new growth are in no proportion to its importance. The wardrobe does what the chamber had been doing; less and less is heard of the chamber and its officers. "Soon after Henry III's minority, the chamber retreats into an obscurity from which it does not emerge for

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nearly a hundred years." Here is not bifurcation, but displacement—an unexplained displacement. The author appears to be convinced that the chamber continued to exist and do something during this century, but his language in the following and many other passages implies a mysterious and depleted chamber: "As the wardrobe grew, the chamber seemed to retreat into the background" (I, 214); "Until this revival begins [under Edward II], want of information will compel us to remain almost silent about the chamber" (I, 229); "Why did the English wardrobe assume this unique position? The attempt to answer this question must be the merest speculation . . ." (I, 230); "the silent transference that brought the king's privy seal out of the custody of the chamber and handed it over to the wardrobe" (I, 232). It is hard to see, with the new sources of information under John, why the causes should be so obscure. The main causes of the exchequer separation, in an earlier and darker time, or the chancery separation, or the nationalization of the wardrobe itself under Edward II, are not obscure. But may not this last episode furnish a clue? The chamber reappears when the wardrobe ceases to be the chamber. "It was the answer of the court to the efforts made by the ordainers to bring the wardrobe and the privy seal within the sphere of baronial influence" (II, 314). But the author is puzzled that the ordainers did not make the job complete by getting control of the chamber then and there. "It is surprising to find in the ordinances nothing at all that deals with the chamber and its officers" (II, 320). The truth, I venture to suggest, is that when the ordainers got control of the wardrobe they thought they had control of the essential administrative household. What the king then proceeded to do, with considerable success, was to duplicate the wardrobe machinery under an old name, chamber. I am hazarding, then, the suggestion that there was a change in nomenclature under John which tells at least part of the story. Changing fashions in language were not uncommon, with but the remotest, most casual foundation or suggestion in the institutions concerned. The summoned central assembly, *concilium*, was more frequently called *colloquium* late in the twelfth century, and in the first half of the thirteenth both names were being displaced by *parliamentum*, while yet there was no important change in the assembly. Naturally this suggestion is made in the most tentative fashion, and mainly to call attention to what is surely the case, that the reader's curiosity about the wardrobe's origin, the chamber's strange disappearance for a century, and its resuscitation, is not satisfied as the book now stands. And in this connection it is hard not to mention three

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

other points which may involve the question of nomenclature. First, is not the whole new crop of wardrobes, those of the king's children and the barons (I, 256 *et seq.*), partly a matter of name, with perhaps an increasing imitation of the royal organization? The great barons, with their immense households and incomes and share in big undertakings, must long have had elaborate household organization. What was it before this time? A careless reader might get the impression that it started in the thirteenth and fourteenth centuries and in imitation of the king's wardrobe. Second, as to whether there were chancellors between 1244 and 1258,—"inglorious chancellors" Mr. Tout himself calls them—he impugns the tradition of modern scholars based on Matthew Paris's "partisan reticence". But is the evidence for real chancellors very great? That some household official who was doing essentially chancery business ("during these years the chancery and wardrobe were in closer relation than in any other period of their history") should occasionally be called chancellor in the records is no great wonder in this time of fluid terms. And finally the venerable *curia regis* troubles one in the early pages—so obviously a conventionalized tradition, and one that leads the author into inconsistencies of language. Later on when he settles down to the word household or the word court, in the sense of that intangible but real *aura* made by the royal presence ("going out of court" is a useful phrase), his language reflects reality. Sometime the myth that lurks in this old term, going back to Madox or earlier, must be laid to rest.

The aim of Mr. Tout, and his accomplishment, is to give the first adequate account of curialistic, as contrasted with national, administration during the height of the English middle ages. He comments upon the tradition of past constitutional historians, summed up in Stubbs, to neglect all else as soon as the parliamentary constitution was started; and he himself, rather traditionally it seems, is inclined to speak of the administrative system as one thing and the early parliament as another. He pays the traditional homage to Stubbs, though he corrects him in not a few points of detail: "All that he tells us is perfectly sound", and the second volume "is as authoritative a guide to the political history of the period as it was on the date of its publication." But later in his work, when he is not thinking of Stubbs, but writing straight from the sources, Mr. Tout says: "Even the parliamentary system grew up in obedience to the royal will. It was no yielding to a people crying for liberty, but the shrewd device of an autocrat, anxious to use the mass of the people as a check upon his hereditary foes among the greater baronage." This is a very true and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a very important conclusion, going to the root of one side of the matter; but no one would ever have formulated it as a result of reading Stubbs. Mr. Tout almost always sees with the eyes of the thirteenth or fourteenth century.

The book has dreary areas; it is intended for scholars only. There is, for example, much detailed tracing out of the administrative careers of individuals, which may be useful to investigators in other fields, and there are many corrections of the *Dictionary of National Biography*; but for the present object it seems that some of this might have been spared. Yet the author knows what he is doing. "How dull and unimportant are the details now set forth, no one is more conscious than myself. But I have a profound faith—that the work most specially needed in English medieval history is just the patient and plodding working out of apparently unimportant detail. By this method I believe the English medievalist can best advance his science." Grateful assent is the response to this statement. How barely touched has been some of this record material, for example the venerable folios of the Record Commissioners, some of them in print now for nearly a century! These, the beginning of the chancery enrolments, and all the stuff of the Record Office following, some printed (often in the form of calendars, alas!), much more only in manuscript, Mr. Tout has used as it has not been used before. His chapter on "Authorities" is most serviceable; it is almost a history of enrolments.

There is space to name but a few notabilia more or less incidental to the main theme: the comparative importance of Edward II's reign over Edward I's in administrative advance and political planning of a reforming nature; administrative progress under personal rule, likely to be kept whichever political party triumphed, illustrating that curious feature of English history, the beneficent character of early baronial victories—preserving good things though they were not feudal and had been made by the royal curialistic enemy; the struggles under Edward II as struggles of households, and the administrative *versus* the military explanation of Bannockburn; the wardrobe in war time; the seal in politics; the fundamental difference between English and French administrative history; the rising distinction between the person and office of the crown, and between the comparatively permanent, professionally official class and the political appointees; the king's council advisory, *not* executive; medieval credit and banking.

The surprising number of masters' theses referred to in the footnotes, most of them written under Mr. Tout's guidance, indicate a large group of workers, many of them women, concentrating on the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

long neglected records. There is much promise in such a group. The final appraisal of Mr. Tout's present work must await its completion, but enough has been said to indicate the solid achievement of these two volumes. It seemed unwise to make a separate index for them, but a fully analyzed table of contents partly supplies the need.

ALBERT B. WHITE.

UNIVERSITY OF MINNESOTA.

Fair Value: The Meaning and Application of the Term "Fair Valuation" as Used by Utility Commissions. By HARLEIGH H. HARTMAN. Boston and New York, Houghton Mifflin Company, 1920.—xix, 263 pp.

This is one of the Hart, Schaffner and Marx prize essays in economics. The author's thesis is that "value" in rate cases means not exchange value but "the actual, unimpaired, reasonable investment in property used and useful in rendering the public service" (page 124). He undertakes to prove this by an elaborate discussion of the fundamental purposes of regulation, by a consideration of common usage and by a review of the cases. He develops the implications of his thesis in its bearing on the specific problems which have come before courts and commissions.

The legal part of his argument appears particularly weak to the reviewer. It rests for its validity on two contradictory assumptions. The first is that the constitutionality of a regulation depends on whether it reduces the rate to less than the value of the service. In this connection the author means by value "commercial value" (page 83). The other assumption, dogmatically stated but wholly unsupported by argument, is that value of the service does not mean commercial value but is normally identical with the reasonable cost of the service. Armed with these two assumptions and sustained by Hadley's statement of the "socialistic theory" of value, which "bases it upon what the article has cost the seller in the way of toil and sacrifice", he finds that the court in *Smyth* v. *Ames* had in mind, in speaking of the "value" of the property, this "socialistic value" and not exchange value. The court's enumeration of elements to be considered in ascertaining value includes, he says, items not appropriate to the consideration of exchange value (the reviewer is curious to know which of the elements he considers inappropriate), and the very fact that the court thought it necessary to enumerate the elements at all proves to him that it was not dealing with condemnation value, a concept too familiar to require such explanation (pages 62–63). (One

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cannot but admire the reverence with which he assumes that Justice Harlan would not indulge in repetition without a purpose.) The author admits that the court has occasionally been seduced by the blandishments of the condemnation analogy, but only to return to the true doctrine. He gives no explanation, however, of *San Joaquin, etc. Company* v. *Stanislaus County*, 233 U. S. 454 (1914), which expressly required a fair return on water rights for which the company had paid nothing. The case is cited only in support of another proposition, which it does not support (page 154). This decision can perhaps be distinguished, by reason of the fact that the consumers constituted only a limited class, but it cannot safely be ignored.

The legal foundation of the author's theory is thus decidedly insecure. It by no means follows, however, that the "investment" theory is to be rejected on its merits, or even as inconsistent with the law as it will develop. The court, in speaking of "fair value" as the basis of a fair return, may have referred to the exchange value of the physical property in some sense distinguishable from that of the entire property as a going concern, or it may have referred to the latter. If the former, most of the decrees permitting reductions were in harmony with the principle enunciated (despite the author's erroneous note on page 81); if the latter, the decrees were unintentionally in conflict with the principles they were supposed to embody, and the language of the opinions is therefore worthless. In the former case, there is nothing to prevent a commission from basing returns in the future on any basis it may think in accord with public policy, provided only it gives a warning timely enough and convincing enough to prevent the anticipation of any earnings in excess of a fair return on that basis. This is because the value of the physical property, in any sense in which it is susceptible of impairment by rate reduction, cannot possibly exceed a capitalization of the anticipated earnings, however much it may fall short thereof. If the court, however, fell into the inconsistency of starting an inquiry into the reasonableness of net earnings with the assumption that the exchange value as a going concern (which in fact is but a reflection of those net earnings) is reasonable, then there is a clean sheet for the writing of new precedents. In either case, a discussion, like the author's, of what rate base is most in accord with public policy, should be welcome.

To allow a fair return on the "actual, unimpaired, reasonable investment" is, in the author's mind, to carry out the fundamental aim of regulation, namely, "to attract capital at the lowest figure possible" (page 86) and to reduce the speculative element to the minimum

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(pages 39–41). To allow a return on reproduction cost, on the other hand, under constantly rising costs, is to give "a return to the stockholder at the expense of the public on an imaginary investment which he never made" (page 112). With the author's position on the merits (as distinct from the law) the reviewer agrees in the main. He dissents only at three points: the treatment of "innocent investors", the treatment of deficits, and the treatment of depreciation. Much can be said on both sides of the question of whether earnings should be reduced to a fair return on the actual reasonable cost when stock has been bought and sold at prices based on the expectation of the continuance of greater earnings. The author dismisses the subject with the curt statement that the investor in such case "has only his own carelessness or gambling instinct to blame", since "the restriction is stated in the common law" (page 87). This puts a severe penalty upon disagreement with the author's opinion of the common law.

It is difficult to understand why the author will not allow the addition of deficits below a fair return as so much additional sacrifice, unless, of course, they are caused by inefficiency of management. We should allow them in the later as well as in the earlier years of the plant's life. They clearly represent additional sacrifice. This is quite as true when the expenses which resulted in the deficits were charged to the operating account as it is when they were charged to the capital account. The author's attempt to distinguish the two cases is unconvincing (page 180). In either case, if the stockholders are to take the risk of making this additional sacrifice, a higher *rate* of return will have to be allowed in order to induce them to invest. Failure to include these sacrifices in the rate base merely renders the undertaking more speculative. When the author objects to the Wisconsin commission's addition of the early deficits "because it necessarily rewards past inefficiencies" (page 185), he might equally well object to allowing rates to cover present operating expenses. In the case of the deficits, as well as in that of the operating expenses, it is only those which have been *reasonably incurred* that are supposed to be included. As for depreciation, it is the *unimpaired* reasonable cost, or *unimpaired* "justifiable sacrifice", on which the author would base the return. But how can a *past* cost or a *past* sacrifice become "impaired"? The *value* of the property, in the sense of exchange value, can be impaired, and the author may have forgotten that he has renounced that use of the word. But while past sacrifice cannot well be said to be impaired, it can be *re-*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

quited. Whenever the stockholders receive more than a fair return on the investment, their sacrifice is to that extent requited.

On the unrequited (rather than the unimpaired) sacrifice theory, we should include nothing for property bought with earnings which have exceeded a fair return, and should make an actual deduction for excess earnings which have been distributed to stockholders instead of being put back into the plant. Were such a policy pursued, it could not be said, as the author says on page 135, that the investment from surplus earnings represents a sacrifice by the stockholders. Had these earnings been distributed as dividends, the sacrifice would have been as great, for the failure to sacrifice the dividends would have been offset by an equivalent sacrifice in the rate base. The author seems to emphasize the desirability of including property bought from surplus earnings, however, only "where the public has found it expedient to adopt a *laissez-faire* policy to encourage utility development" (page 135). In such cases, it is true, the problem of the "innocent investor" arises, but there seems no more reason for tenderness to him here than when he has bought in the expectation of a continuance of a return on reproduction cost. Moreover, on the author's theory that the common law restricted the company to a fair return on the actual reasonable cost, it is difficult to see how he reached the conclusion that "it cannot be said that rates unduly high were illegally collected in the absence of regulation."

While the author would not deduct all surpluses which are not reinvested, he would nevertheless deduct whatever has been collected for depreciation and then dissipated as dividends. As far as it goes, this practice would accord with the *unrequited* sacrifice theory. He places it, however, on the ground of *unimpaired* sacrifice. His point is, that to the extent to which any property is impaired, it is no longer used and useful in the service (unless offset by the existence of a sufficient depreciation fund). But why apply the "used and useful" test? The author's professed aim is to make the return as low as is consistent with the possibility of attracting capital. Why, then, depart from reasonable, unrequited sacrifice, even for property no longer used and useful? The author departs from that principle in two directions. Not only does he refuse to deduct surpluses, as we have seen, when they do not correspond to accrued depreciation; he also deducts accrued depreciation even when there have been no surpluses (assuming that no fund offsets the depreciation). In doing so, he follows Justice Moody's language in the *Knoxville Water Co.* case, which implies that failure to collect a depreciation fund is as much the fault of the com-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pany as is dissipation of a fund once collected. If the failure to collect the fund was indeed the company's fault, then the deduction of what should have been collected would still accord with the unrequited *reasonable* sacrifice theory. But suppose the company was unable to collect the fund in the early years and has paid only reasonable dividends. Would the author approve the Massachusetts Public Service Commission's refusal to deduct the depreciation under such circumstances, in the *Blue Hill Street R. Co.* case, cited in the note on p. 204? On the *impairment* theory, the depreciation would have to be deducted. The result would be that a company starting business would have one more risk to consider, and a higher and more speculative rate of return would have to be allowed to attract the capital. This is out of accord with the author's aim to minimize speculation. Yet it is only if we accept the *unrequited* rather than the *unimpaired* sacrifice theory that we can follow the less speculative alternative of the *Blue Hill* case.

ROBERT L. HALE.

COLUMBIA UNIVERSITY.

Taxation in the New State. By J. A. HOBSON. London, Methuen and Company, Ltd., 1919.—x, 254 pp.

This book impresses me as one of the most serviceable discussions of taxation which has appeared in recent years. Without being superficial, it is unusually vital and stimulating. Its excellence lies partly in the wisdom of its omissions. It has the great gift of ignoring the unessential. It covers the most important practical problems of central or national taxation and lays in advance an adequate theoretical foundation. Yet it ends on page 254.

Mr. Hobson's problem is how to finance the post-war state. Recognizing that "no multiplication of minor devices can suffice", he goes at once, in the three opening chapters, to the heart of his problem by an analysis of "ability to bear". His chief contribution here is the significance which he imparts to the distinction between costs and surplus. "Those elements of income which are necessary payments to owners of productive agents, in order to sustain the productive efficiency of an agent and to evoke its application, rank as 'costs' of production, and have no ability to bear taxation". The remaining elements of income, with minor exceptions, represent surplus, *i. e.*, "unnecessary or excessive payments". The essential thesis is "that all taxation should be laid directly upon surplus, because if any taxation is put on 'costs', the process of shifting it on

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to 'surplus', first, involves waste and damage to production and is frequently made a source of extortion from consumers; secondly, it deceives the public by concealing the final incidence". And the author naïvely says: "The actual incidence of taxation ought to be known to all."

Mr. Hobson does not claim that this distinction between costs and surplus is original with him, but he has given it a fresh emphasis and has demonstrated how helpfully it may be used to shorten and simplify the modern tax problem. Though you may not agree with his judgments, you are provided with a facile instrument by which to reach your own judgments. It is by all odds the best approach, the best method of attack, that I remember to have seen in any work on taxation.

In general, the author concludes that standard or minimum wages, interest asd profits have no ability to bear taxation; but that economic rent, rent of ability, and all "interest, profits, and other payments for the use of capital, brains or labor, which are due to superior economic opportunities and are not necessary incentives to secure such use, . . . have a full ability to bear taxation." Monopoly or "combinatory" gains are, of course, classed as surplus, and the author maintains that "the business system of today is as much combinatory as competitive".

Space will not permit an enumeration of the important practical conclusions to which this analysis leads the author, but a passing tribute may be paid to the impartiality and skill with which he applies his criteria. He has the courage of his theory. Economic rent he regards in general as surplus, but "English agricultural land has generally had more capital put into it than would represent its selling value. A good deal, often the whole, of the rent now taken for it may be regarded as interest upon past 'improvements'". He unequivocally condemns the single tax proposal on the grounds, *inter alia,* that "land values are so blended with improvements and with other forms of capital, for all practical operations both of industry and finance, that a rigorous separation for taxing-policy is neither feasible nor equitable". Although, of course, the taxation of interest and profits is fundamental in his scheme, he recognizes that new capital will not be forthcoming without the proper incentive and that this "imposes some limit upon the height of an income tax which has included as taxable income the whole of 'saved' as well as 'spent' income". And on allied grounds, together with practical considerations of simplicity, he opposes differentiation, the ex-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

emption from income tax of investments which rank under the head of life-insurance policies, and the whole system of collection at source. He would substitute "one graduated tax for the existing system with its numerous deductions and abatements". "The stiff official bluff which will be put up on behalf of the present method by the Treasury, supported by the *ipse dixit* of certain expert authorities, must not be permitted to block the way to the adoption of the only scientific working of an income tax."

The book contains in Part I three chapters on the shifting of taxes, two very helpful and practical chapters on the taxation of income, a brief discussion of death duties, a similarly brief discussion of supplementary taxes and a vigorous chapter on tariffs for revenue. Part II is given over to a description of the present financial emergency in Great Britain; an analysis of the proposed levies upon capital and war-made wealth; and a brief discussion of the relations of imperial to local taxation.

The book contains no index, and, unfortunately, there are an unusually large number of typographical errors. It may be added that the reviewer has used it with good results as a text-book in undergraduate classes.

T. S. ADAMS.

YALE UNIVERSITY.

Currency and Credit. By R. G. HAWTREY. London, Longmans, Green and Company, 1919.—vii, 393 pp.

This book is a reexamination of the general theory of money and banking. While the author does not expressly say so, it is clear that the book was written with a view to aiding in the adjustment of post-war currency and banking problems. A good deal of the volume is historical, but the history invariably runs down to and "ties in" with war experience or war development. In a sense these portions of the book are history written or viewed retrospectively, with the purpose of selecting those elements in past experience which lead up to and afford a background for the problems of currency and banking which became especially pronounced during the war. But, like many another student, the author finds his history inadequate and its lessons insufficient, and so he has to reexamine and reanalyze his banking theory.

He does not make this effort at theoretic treatment, however, until the volume is well advanced. In chapter xii he at length comes to grips with the "Theory of Banking". This, at his hands, turns

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

out to be rather an explanation of some controverted points in banking theory and really simmers down to a discussion of the best means of avoiding suspension in time of special emergency—a matter which forms no part of banking theory, although of course dependent in a direct way upon it. Unfortunately, however, Mr. Hawtrey throws but little light on the issue, his main contributions to the discussion being critical rather than constructive—and on the whole rather conventional.

The chapters which deal with the history of currency and credit (chiefly in England, with some reference to France and the United States) are clear and easy to follow, while those on current problems of war finance are generally well-informed and sound. Suggestions for the future are as vague and on the whole as timid as those to be found in most of the current literature on the subject. On the whole, however, Mr. Hawtrey leans strongly toward the view that credit has little real dependence on money and hence is in some sense an abstract or indefinite measure of value. He seems to favor the idea of an index number or commodity measure of value but finally shies off from a direct recommendation regarding it.

On the whole, this volume is an informing book and is probably worth the reader's while. There is a good deal in it that can be read with profit, though it is doubtful whether the peculiar mixture of history and theory which is characteristic of the book is a wise way of presenting the subject. Many of the chapters would be greatly enhanced in value if they had been more fully developed from the contemporary standpoint. This would, no doubt, have made the volume too long. It would have been improved by cutting out a good deal of the historical matter, or at all events compressing it, and presenting the rest as a discussion of problems in the re-establishment of currency and banking systems on a sound basis throughout the world.

H. PARKER WILLIS.

COLUMBIA UNIVERSITY.

Social Theory. By G. D. H. COLE. New York, Frederick A. Stokes Company, 1920.—iv, 220 pp.

Of the various theories of social and economic reconstruction now proposed no other is more interesting or promising than guild socialism. It presents to a considerable degree a synthesis or recapitulation of the more significant theories of social, economic and political reform put forward during the nineteenth century. Of the advocates of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the adoption of this program, G. D. H. Cole is the acknowledged leader. Having presented in earlier volumes a concrete survey of the modern labor movement, an analysis of the nature of the guild socialist program and a discussion of its relation to modern social problems and currents of social reconstruction, Mr. Cole, in the work under review, advances to an exposition of a general social philosophy which he regards as basic to guild socialism. "The Guild Socialist doctrine", he holds, "is far wider than industry, although it springs out of industrial conditions. It amounts in the last analysis to a complete social theory—to the social theory which I am putting forward in this book."

Mr. Cole finds that "orthodox social theory is bankrupt: it neither corresponds to the facts of to-day, nor affords any help in interpreting the tendencies which are shaping a new social order within the old." He admits that his own theory is ahead of current social and economic institutions but justifies it on the ground that "the chief value of theory lies in helping men to act more intelligently in the present by giving them a power to grasp the principles which must go to make the future." The author takes as a starting point not the state or any other single association but an analysis of the universal principles of association "as they should be". He clearly defines at the outset the terminology which he employs throughout his work. The broadest term in social theory and the most inclusive social unit is a "community", which is a group to which people belong, as distinguished from an "association", with which people are connected for the achievement of a particular purpose, acting according to certain rules of common action. Society he holds to be the complex of organized associations and institutions within the community—the sum total of organized social structure. The key to his social theory is the principle of *function*—the underlying and primary principle of social organization. Too specific to be a suitable guide for individual ethics, it is the essential principle leading to the origin, unity, coherence and efficiency of human associations. Far the greater part of his book is taken up by a well reasoned plea for the comprehensive reorganization of society on the functional plan. A clear demarcation of the spheres of the various functional associations is required, for a fatal perversion of the functional principle occurs when two associations produce confusion by attempting to accomplish the same things, as well as when they pursue an anti-social aim. The worst perversion or rather denial of function today occurs in the economic structure of society. The exaggerated importance of economic considerations

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

at the present time is caused by the class conflict inherent in the capitalistic industrial régime. Once the democratic functional principle is introduced into economic life, the economic factors will lose the dominant position they now possess. The Marxian interpretation of history and society holds good only in a diseased economic system.

Nowhere is Mr. Cole's theory more destructive of orthodoxy than in his analysis of the state and political institutions. To him the state is not "a single unique entity existing in a circumambient void", but at the best is only the greatest and most permanent association in society. As contrasted with a trade union, for example, it is territorial and inclusive rather than vocational and selective. According to the guild socialist analysis the venerable pretension of the state to absolute sovereignty "falls utterly to the ground", and with it the claim to a state monopoly over legislation and the use of coercive force. The function of the state is solely to regulate those matters which affect all the members of society about equally and in the same way—in other words, a political function in the conventional use of that term. It is, therefore, excluded from any control over the production of wealth and can legitimately operate in the economic sphere only in regulating the distribution and consumption of wealth. Nor can the state be regarded as the supreme coordinating body of society. It represents part of all the members of the community but not all of their personalities. The coordinating body must represent all of everybody and can be found not in "any single association, but in a combination of associations, a federal body, in which some or all of the various functional associations are linked together." This federal body, representative of a functionally organized society, will replace the state, not only as the supreme repository of coordinating power and coercion but also as the controlling factor in international relations. It will be rather a court of final appeal than a legislative body, for legislative power will be given over to the state, within its limited sphere of legitimate activity, and to all other functional associations with respect to their specific needs and interests. It is quite impossible to agree with Montesquieu's dictum that governmental power can be divided by stages—legislative, executive and judicial. It can be divided only according to the principle of function. Along with Hegel's theory of the state, Burgess's theory of sovereignty and Montesquieu's theory of the tripartite division of governmental powers, there also goes into the limbo of political fallacies and anachronisms Rousseau's notion of representation. No man can represent another man or another group of men, nor can he make his will representative of the wills of others.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

But if a man cannot represent persons, he can represent purposes, and the specific and purposive functional type of representation alone makes this possible. Further, the functional principle of representation gives a better assurance of democracy and efficient leadership by keeping the representative in close touch with the group which has selected him, while at the same time saving him from the deadening and paralyzing status of the instructed delegate. Again, the functional organization of society will do more than anything else to eliminate that chief demoralizing force in modern political life—the lack of popular interest in public matters. Functional representation also implies the elimination of the present type of parliamentary government. "Real democracy is to be found, not in a single omnicompetent representative assembly, but in a system of coördinated functional representative bodies." Finally, true personal and social liberty can be realized and perfectly harmonized only in a society completely reorganized on a functional basis.

The rapid changes in civilization bring a corresponding alteration in the functions of associations, but as habit resists changes, this prevents a ready and automatic readjustment of associations and institutions to function and produces maladjustment and the atrophy of institutions. Yet it is inevitable that in a dynamic society the atrophied institutions from the past will coexist in juxtaposition with the growing institutions of the future. It is because society today is choked with these atrophied institutions that the smooth and orderly working of social organization is impossible. "Society today is, indeed, a 'big, booming, buzzing confusion,' and it will continue to be impossible to clear this confusion away until we realize that its causes lie in our ignorance of the most essential conditions of successful association—the principles of democratic functional organization and democratic representation according to function."

To attempt to criticize this daring reconstruction of social and political theory would be quite impossible within the space available. Mr. Cole can be given credit for having carried through his thought from the assumed premises with logic, courage and consistency. To those who still adhere to the principles of Austin, Bluntschli and Burgess the work of Mr. Cole will be anathema. To more advanced thinkers, whether guild socialists, administrative syndicalists or advocates of representation through professions or vocations, his doctrines will be regarded as the words of a prophet. It can safely be predicted, however, that irrespective of whether guild socialism is widely adopted, Mr. Cole's book will remain an important landmark in the history

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of political theory. It is, perhaps, the best brief synthesis which has yet been presented of the newer points of view in political theory. It is a significant fact, however, that though this book will appear even savagely revolutionary to conventional political theorists, its premises and general philosophy have been sociological commonplaces for a generation. This is an eloquent commentary on the degree to which political theory has lagged behind general sociological thought. It is to be regretted that the book is marred by careless proof-reading, which in some cases has destroyed the sense of the passage, as, for example, "cure" for "case" (page 13), "the" for "and" (53), "useful" for "useless" (82), "involves" for "requires' (137), "start" for "state" (156).

HARRY ELMER BARNES.

CLARK UNIVERSITY.

Parliament and Revolution. By J. RAMSAY MACDONALD. New York, Scott and Seltzer, 1920.—180 pp.

The fair hopes of the fathers of modern democracy have not been fully realized. Universal suffrage has not proved to be a universal panacea; it has not purged society of all its inequalities and injustices. On the contrary, its progress has been accompanied by the growth of swollen fortunes, the rise of the capitalist press, the evolution of the party boss and other things equally undemocratic. In all countries revolutionary groups have arisen, proclaiming that political democracy has failed and that there is no health in it, that the conditions essential to its success do not exist and cannot be secured within the present social and political framework, that only revolution can effect the necessary changes in the nature of society and the state.

Mr. Ramsay Macdonald's *Parliament and Revolution* is a socialist's defence of the parliamentary as opposed to the revolutionary method of reform. He agrees with revolutionists that parliamentary democracy operating in a capitalist society is capitalist. "Capitalism", he says, "assuming that majorities are passive and accept the thoughts and the wills of minorities, pursues a political policy of subjection which it carries on by reason of its wealth and its economic control of the existing order. . . . We have now the dictatorship of the capitalist." But it does not follow, in his opinion, that the best remedy is the dictatorship of the proletariat. He objects to labor "arming itself from capitalist arsenals". He is afraid of the dictatorship of the proletariat not because it is proletarian but because it is dictatorial, because it means repression, censorship, coun-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ter-revolution and all the paraphernalia of revolutionary tyranny. He rejects as false the argument that only by revolution can capitalism be transformed into socialism. "A Parliamentary election will give us"—Mr. Macdonald is writing both as a socialist and as a member of the Independent Labor Party — "all the power that Lenin had to get by a revolution, and such a majority can proceed to effect the transition from capitalism to socialism with the co-operation of the people, and not merely by edict." Even Lenin has admitted that the transitional period of dictatorship and repression in Russia, during which society is to be recast in a socialist mould, must be very long; and in England, Mr. Macdonald believes, such a period would be much longer. The prospect fills him with dismay. "No Socialist Party would tolerate such a thing for long." It is part of his social philosophy that progressive ideas lead to revolution only when repression makes them explosive. Socialists must be willing to face revolution if stupid reactionaries force it, but "to plan a revolution in order to impose a new system on Society is folly or worse".

In a chapter on "Direct Action" the author touches upon one of the gravest problems of government today. He does not regard direct action, *i. e.*, industrial action for a political purpose, as inherently wrong. Resort to it to control the action of a capitalist state is legitimate, the question in any given case being one of expediency. It cannot, however, become a regular and normal part of democratic activity, but can be employed only "in a state of strong popular indignation, when the behavior of those in power is such that the ordinary political mind of the people is upset, and that confidence in Parliament is forfeited—when, in fact, Governments have created revolutionary conditions". Under any other circumstances an attempt at direct action—say a general strike to overthrow a ministry or to prevent war—would fail ignominiously. With regard to more normal times, Mr. Macdonald's conclusion seems to be that direct action is proper only when political action is "bad". "Get the proper Parliament, and political 'direct action' is unnecessary for Labour". His discussion of direct action is not calculated to reassure harassed statesmen or orthodox political scientists or conservatives generally; but it is not to such that his book is addressed. If it convinces revolutionists of the efficacy of parliamentarism, it will have served its purpose.

In an advertisement of this volume, printed on the jacket, the publishers tell us that it "is the first scientific and entirely un-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

biassed argument against Bolshevism in favor of democratic representative government by majorities". In general such notices need not detain the reader, but there is an air of earnest conviction about this one that arrests attention. We feel that Messrs. Scott and Seltzer have been moved fully as much by the missionary spirit as by considerations of salesmanship. As a description of the book, however, the advertisement is as grotesque as it is evidently sincere. *Parliament and Revolution* is polemic, not scientific or unbiased, and it is intended to show nothing else so much as that Mr. Macdonald's party is the surest and safest instrumentality of progress in England.

R. L. SCHUYLER.

The Second Period of Quakerism. By WILLIAM C. BRAITHWAITE. London, The Macmillan Company, 1919.—xlviii, 668 pp.

The first important history of the Friends was that by William Sewel, an Anglo-Dutch Quaker, early in the eighteenth century, and not until within the last decade have we had any large contributions in this field. Eight years ago Mr. Braithwaite published his *Beginnings of Quakerism,* which has been followed by R. M. Jones's *Spiritual Reformers in the Sixteenth and Seventeenth Centuries,* Miss Brailsford's *Quaker Women, 1650-1690,* Miss Hodgkin's *A Book of Quaker Saints,* Brayshaw's *The Personality of George Fox,* and Professor Jones's recent book on Fox. In addition we are promised by this last author a concluding volume to the one under review.

This seems to be an undue emphasis upon a religious movement which at the height of its spiritual development boasted no more than 25,000 members (page 458). Yet its history is in itself a history of toleration in England during the middle years of the seventeenth century, a history of that self-conscious socialized mysticism which shadows forth the psychological growth of an extraordinary type of Christianity, strikingly similar in many respects to the experience of the early Christians, and all the more notable for the wealth of contemporary evidence left us by Quaker leaders thoroughly convinced of the greatness of their mission.

The Second Period of Quakerism is a continuation of Mr. Braithwaite's *Beginnings* and covers the period from the Restoration to the Affirmation Act of 1722. It was a period of repression and persecution, until the Toleration Act of 1689, and was characterized by a change in Quakerism itself as well as in the attitude of the government toward Quakers. By 1660 Fox and his disciples had thor-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

oughly organized their followers, but it remained for Barclay (a Scot) to provide the dogma. Barclay and Penn share with Fox in the leadership, but the moral and spiritual force behind the movement was Fox, in spite of the separatist movements of Nayler, Wilkinson and Story.

The second generation of Friends paid great attention to education in order to train their future leaders, manifesting a zeal for education which has been exceeded by no religious sect since. From the outset, Quakerism was fundamentally a social as well as a religious movement, and much of the time of the regular meetings of Friends was spent in discussing ways and means of relieving the distress of their fellows. Bellers's ideas of establishing labor bureaus, of caring for the poor, and other charitable projects, sound sometimes strangely modern and sometimes curiously utopian. Mr. Braithwaite rightly emphasizes the activity of the Quakers in education and social reform, but he fails to appreciate properly the force of the Quakers in politics, particularly while under the guidance of Penn. Moreover, he does not fully discern the democratic leaven working in English and colonial politics through the independent church organizations of the Dissenters. The extremely democratic nature of Quaker meetings, where women as well as men took a conspicuous part, has not, the reviewer believes, been adequately appreciated as a force working toward political democracy.

The biographies of such Quaker leaders as Bellers, Barclay and others, are well done. The author deals in a scholarly way with Penn and does as much as seems possible to relieve him of the stigma cast upon him by Macaulay's brilliant pen. The treatment of Fox in this volume is less satisfactory than in the same writer's earlier work and to the casual reader appears somewhat confused. In neither volume is attention called to the fact that Fox wrote, first and last, a deal of nonsense, or words that fail to convey any meaning whatsoever to the reader.

This work is abundantly documented; indeed, in places, fewer long quotations, more carefully selected, might have brought out the meaning more clearly and satisfactorily. Mr. Braithwaite has done an excellent piece of work in keeping the political history closely abreast of his treatment of religious developments, although he shows at times an ignorance of the contributions of American scholars to English periodicals. He also seems to exceed his commission in saying that if Queen Anne had "survived only a few months, a Jacobite succession would probably have taken place" (page 179).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Just what he means by saying (page 209) that a "paralytic stroke deprived him [Penn] of his mental power, though leaving his spiritual faculties unimpaired", is left to his readers to decide.

The book is clearly a labor of love and shows on every hand careful, painstaking research among the rich manuscript collections of the Friends, as well as a deep sympathy with their ideals. The appearance of the work is excellent, and the index is quite satisfactory.

WILLIAM THOMAS MORGAN.

INDIANA UNIVERSITY.

The Life and Times of Henry Gassaway Davis. By CHARLES M. PEPPER. New York, The Century Company, 1920.—x, 318 pp.

Biographies of statesmen written by friends or relatives are generally marred by excessive eulogy. While the biography of the late Henry Gassaway Davis is not entirely free of this fault, still the importance of the man in American history is not noticeably overemphasized. On the whole the book is well balanced, sane and well written.

It throws much light upon the personal characteristics of Mr. Davis, but it is as a type of by-gone American that he interests us most. One of the more significant items in the book is the following excerpt from a speech by Senator John Sharp Williams, notifying the venerable West Virginian of his nomination by the Democratic Convention for the vice-presidency:

> The people see in you one of the best products of the best period of American institutions, a period whose salient characteristics were local self-government, individuality, equal opportunity, and freedom—freedom to work, freedom to buy and sell, freedom to compete in industrial life, resulting in self-dependence; freedom to develop as one's own master and not merely as the well-trained and well-managed industrial servant of another [page 177].

Thus spoke the twentieth-century interpreter of nineteenth-century liberalism. Mr. Pepper's biography is an elaboration of this thought. The life of Henry Gassaway Davis furnishes an excellent illustration of what this sort of economic and political liberalism could produce. Here was a man whose economic activity began when the steam locomotive was still in its experimental stage. At nineteen he secured a job as brakeman on the Baltimore and Ohio railway at a salary of forty dollars a month. He possessed neither influence nor money, but from then on, owing solely to his own efforts, his career was a continuous succession of promotions on the railroad for which he worked. With

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the money earned as an employee of the B. and O. and a little acquired through his marriage, he began to buy cheap mineral and timber lands in West Virginia, and middle age found him the recognized monarch in the coal, lumber and railroad industries of his state. With these resources at his back and possessing no mean ability as a political leader, he found it a relatively easy task to make himself the dominant factor in the councils of the Democratic party of West Virginia. After a short apprenticeship in the state legislature, he entered the United States Senate in 1871, and for twelve years he combined business and politics. Improving the opportunities that presented themselves to him as a senator, he induced several of his colleagues of both parties to invest in various of his industrial undertakings. He declined to stand for election for a third term and thenceforth devoted most of his time and energy to business, although he continued to exert considerable influence in his party in West Virginia and to maintain rather close personal and business relations with important political leaders in Washington.

Approaching fourscore, Mr. Davis made the following casual entry in his journal:

> My health is good, and I am quite a busy man. Am President West Va. Central & Pittsburg Railway; Piedmont and Cumberland Railway; Coal & Iron Railway; Davis Coal & Coke Company; Empire Coal & Coke Company; Washington Coal & Coke Company; Mill Creek Coal & Coke Company; Marshall Coal & Coke Company; Valley Coal & Coke Company; Queen's Coal & Coke Company; Davis National Bank; Trust Company of West Va.; United States Delegate Conference American Republics; West Va. Tax Commission [page 185].

Hard work, thrift and a keen perception of the golden moment for buying and selling—these were the keys to success for Henry G. Davis and thousands like him. Whatever attitude may be taken toward the methods and conduct of business organizations today, when private profit seems to be proving insufficient as an incentive to production and as an adjuster of distribution, it is doubtful if the enormous industrial development of the nineteenth century would have been possible without that economic liberalism which produced the Davises and their works.

In part, at least, Senator Williams was right. This was the "best period of American institutions". And yet it was the blood parent of our own. A popular but thoughtful publicist has said that the trouble today is that we are being hit with a brick-bat in the form of a query:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"What are you going to do when they won't work?" We are unable to ward off the blow with a satisfactory answer, but we may, if we like, take some comfort in the thought that in Mr. Davis's period they worked and produced the goods.

B. B. KENDRICK.

Occasional Addresses, 1893–1916. By the Right Hon. H. H. ASQUITH. London and New York, Macmillan and Company, 1918. —x, 194 pp.

These addresses have no great interest for the student of politics save as they give a clue to Mr. Asquith's mind and reading. There are speeches on criticism, biography, culture and character, the English Bible and other subjects. One of the best is entitled "The Spade and the Pen", delivered before the British Classical Association, in which the recent achievements of archaeology are summarized and extolled. There are shorter addresses in praise of the Bar, of Edinburgh and of the Royal Society. At the end are brief estimates of Jowett, Campbell-Bannerman, Edward VII and Alfred Littleton. In compact, balanced statement Mr. Asquith excels, and his tributes to the departed great reveal him as master of the art of terse and stately epitaph. When he deals with criticism and biography he says nothing that is very fresh, but he is judicious, sure-footed, sweetly reasonable and full of pleasant quotation. His reading has been marked by catholicity, good taste and individuality. He has praise for Lockhart's *Scott*, for Mrs. Grote's *Life* of her husband, for Mrs. Gaskell's *Life of Charlotte Brontë* and particularly for the *Autobiography* of Benjamin Robert Haydon. Everything he writes proves him a Wordsworthian to the core. As a man of wide and deep intellectual interests, however, he is not to be compared with Gladstone nor with his own colleagues, Morley and Haldane.

He has been above all an advocate. He can pack into a speech that occupies three columns of the following morning's newspaper the most persuasive statement of the political case for which he is pleading; he can seem to give his opponents their due and more and yet prove that they are quite wrong. But these essays are not in advocacy and reveal less of his talents.

Urbanity, fairness and sound judgment are the virtues of this collection. There is not much humor, there are few pat phrases, there is no unusual wisdom. That the addresses were well received one cannot doubt; that they were worth gathering together is less certain.

WALLACE NOTESTEIN.

CORNELL UNIVERSITY.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOK NOTES

The death of the aged widow of Napoleon III has released for publication a mass of material on the history of the Second Empire in France. The editing of this material was entrusted to Count Fleury, who has combined with private documents and personal letters of Empress Eugénie a great many extracts from conversations with the Emperor and from letters and papers of Prince Victor Napoleon, General Fleury and other members of the imperial court. The work is published in two volumes under the title, *Memoirs of the Empress Eugénie* (New York, D. Appleton and Company, 1920; two volumes: 473, 561 pp.). Wheat and tares are strangely mixed in these volumes. There is much invaluable material touching the most intimate views of the Emperor and the Empress on subjects of such importance as the relations of France with Piedmont, Austria and the Papacy in 1859, the responsibility for the war of 1870, and the overthrow of the Empire. But the partisanship of the editor is so naïve and extreme as to make the work useless as an interpretation of history. The first volume is composed almost entirely of fulsome laudations of the court. The kindness and wisdom of the Emperor, the piety and sweetness of the Empress, the precocious kindness, wisdom, piety and sweetness of the Prince Imperial are dwelt on *ad nauseam*. Except for some new material bearing on the tragic death of the Prince in Zululand, there is practically nothing of value in these 473 pages. In the second volume the author deals with the really important questions of the Second Empire, such as the Crimean War, the Italian situation, the Mexican adventure, the Franco-Prussian War and the revolution of the 4th of September. But there is no deviation from the tone and spirit of adulation, no disinterested and judicious estimate of the policies of the Tuileries. Napoleon and Eugénie are envisaged as saints whom it were impious to criticize. A comparison of the long chapter on "The Empire and Italian Unity" with Thayer's presentation in the *Life of Cavour* will show how innocent M. Fleury is from any contamination of the secular historical spirit. The volumes are interesting, picturesque—and exasperating.

In her effort to convey to her readers something of the personality and charm of her mother Mrs. Mary Gladstone Drew has not been

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

wholly successful. Her volume, *Mrs. Gladstone* (New York and London, G. P. Putnam's Sons, 1920; viii, 294 pp.), is of value to students of the nineteenth century chiefly in its unintentional revelations of English thought and ideals. It adds nothing to the political history of England. To read it with ease one must be equipped with a very full knowledge of English political life during the period of Gladstone's activity. Much of the book consists of scrappy allusions and trivial letters, some of which owe their presence solely to the exalted rank of the writers. Mrs. Drew evidently revels in the friendships of her family with royalty. She naïvely reveals the attitude of the English aristocracy—the old attitude of the days before the war, when the great folks expected the humbler inhabitants of their country "to order themselves lowly and reverently to all their betters". The great were kind and charitable to the poor and needy, but the lines were clearly drawn, and it never entered the heads of the aristocrats that they could be overstepped. Mrs. Gladstone accepted with fullest loyalty her position as helpmeet and attendant to her husband, and it is in this character that she is known to the readers of Morley's *Life of Gladstone*. It would be interesting to speculate on how far Mr. Gladstone's failure to grasp any real conception of democracy was due to the absolutely autocratic position he occupied in his own household, and perhaps the chief value of Mrs. Drew's book is that it sheds some light on these aspects of his character.

As a source for the study of recent American political history, Champ Clark's *My Quarter Century of American Politics* (New York, Harper and Brothers, 1920; two volumes: 495, 472 pp.) is disappointing. Apart from a good discussion of the speakership by one who through eight years of service has acquired intimate knowledge of the office and its functions, and a circumstantial account of the author's defeat for the presidential nomination at Baltimore in 1912, these volumes contain little or nothing that the serious student of American history need take into account. The material upon which they are based seems to have been collected in the cloak rooms of the houses of congress rather than in their legislative halls. There are many good stories well told and many personal experiences related—and sometimes repeated. A glance at Mr. Clark's table of contents suggests the "anecdotal" character of what he has written. Here are some of the items: "Two great steers 'Buck and Darby'", "Little girl witnessed murder of grandmother", "Grasshoppers", "Attend theater to hear 'Faust'", "Denatured alcohol and Ebe-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nezer J. Hill". One wonders if Mr. Clark might not have been more successful in his chosen field of statesmanship had he not seen fit to drop his first name and the first syllable of his second. "James Beauchamp" suggests all the qualifications for the high office of President of the United States; "James B." or even "J. B." is eminently safe and sane, if somewhat mediocre, but "Champ", though it would be an asset to a grocery-store raconteur or a "movie" star, was a fatal liability to a candidate for the nomination for the presidency.

If anyone still doubts that the enfranchisement of the illiterate negroes in the South at the close of the Civil War was a colossal blunder, he should read *The Negro in Virginia Politics, 1865–1902* (Charlottesville, University of Virginia Press, 1919; 199 pp.), by Richard L. Morton. This volume appears as number four of a series of studies being made by successive holders of the Phelps-Stokes fellowship, founded to promote investigation concerning the character, condition and possibilities of the negroes in the Southern States. Inasmuch as four-fifths of Dr. Morton's volume traverses ground already made familiar by Eckenrode's account of reconstruction in Virginia and C. C. Pearson's history of the "Readjuster" movement, little is added to what was already known about Virginia politics during the last three and a half decades of the nineteenth century. Nevertheless, the study is well worth while, first, as illustrating the baneful influence on general political morality occasioned by the participation in politics of great masses of ignorant negroes; second, as showing how unrestricted negro suffrage was the means of transforming a genuine protest against the conduct of the state's finances into a corrupt political system known locally as *Mahoneism;* and third, as showing how a sincere agrarian revolt against narrow class control by the industrial and commercial interests was corrupted by its attempt to utilize the ignorant colored vote. Several maps on the distribution of negro and white voters and an appendix giving the franchise clauses of the Virginia constitutions of 1868 and 1902 are very helpful.

It has been said that "we should endeavor by all means to restore the lost equipoise, and to regain the ancient paths of ordered liberty under representative government." Mr. Henry Campbell Black's *The Relation of the Executive Power to Legislation* (Princeton, Princeton University Press, 1919; vii, 191 pp.) is the author's means of endeavor, and if readers do not approve of his argument they will at least be grateful for his diligence. It is a great convenience to have in one volume, and quoted at length, the views of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Bryce, Taft, Wilson, Ford, Freund, Roosevelt, Godkin, Butler, Lowell, Holcombe, Goodnow and the *New Republic,* together with a useful résumé of Miñana's *La Division de los Poderes del Estado* and the quotations which it includes. The value of Mr. Black's compilation, however, is lessened by the fact that its account of the relations between the executive and the legislature in Great Britain does not mention the exceptional wartime position of the cabinet; and in the case of France, it relies to a great extent upon President Poincaré's inadequate book, which does not discuss the parliamentary commissions—one of the most significant features of the machinery of French government. So far as the United States is concerned, the author enumerates various proposals for change and concludes that the solution is "to arrest the swing of the pendulum, to restore the lost equipoise". He suggests congressional committees on presidential bills, to check the powers of the president over legislation, and apparently does not realize that psychological factors and the inefficiency of Congress have in large part been responsible for the growth of executive autocracy in the United States.

The History of Cumulative Voting and Minority Representation in Illinois, 1870-1919 (Urbana, The University of Illinois, 1919; 70 pp.), by Blaine F. Moore, first published in 1909, now appears in a revised edition. The material is brought up to date, and a new chapter, dealing with Illinois primary legislation and its effects, is added. Professor Moore's general conclusions are: that the Illinois system of cumulative voting almost invariably secures minority representation for the largest minority party; that it greatly reduces the evils of gerrymandering, as shown by the fact that the number of votes required to elect a representative is about the same for the two major parties; that it occasionally enables the minority party to secure undue representation because of poor management on the part of the majority party; that it requires strict party discipline; that it has little effect upon the personnel of the assembly; and that the direct primary in no way affects the cumulative system of voting, but simply applies it in two elections instead of in one. "With a satisfactory primary system", the author concludes, "the people may, if they will, apparently control their legislature as effectively as under the ordinary plurality system, and in addition secure an approach to proportional representation so far as the two major parties are concerned."

Students of contemporary politics will welcome the *Journal of the Parliaments of the Empire* (London, Empire Parliamentary Asso-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ciation, United Kingdom Branch), which now appears quarterly. The Empire Parliamentary Association was formed at the time of the coronation of George V, with branches under the presidency of the speakers of the two Houses of Parliament in the United Kingdom, Canada, Australia, New Zealand, South Africa and Newfoundland, and one of its purposes was to provide for a satisfactory system of exchange of information between the parliaments of the British Empire. To this end it was decided to issue a parliamentary journal giving short summaries of the important proceedings and the bills introduced in the various parliaments of the Empire in relation to matters of imperial and general interest. Such a journal, it was hoped, would assist in establishing community of ideals and similarity of legislation in the Empire. The first number was to have appeared in 1914, but the war delayed its publication until January, 1920. The *Journal* will doubtless serve a useful purpose. It makes no attempt to give a critical review of legislation and therefore will not compete with the well-known *Journal* of the Society of Comparative Legislation.

The publication of an eighth edition of Taswell-Langmead's *English Constitutional History* (Boston, Houghton Mifflin Company, 1919; xxiv, 830 pp.) attests the continued popularity of this famous manual. The editor, Mr. Coleman Phillipson, has made many alterations in and some additions to the seventh edition, which was published in 1911. Many extracts from documents in Latin have been omitted from the notes, and some notes have been incorporated in the text; for convenience and to facilitate study changes have been made in the marginal notes, the text has in some cases been divided into new paragraphs, passages have been transposed, references to earlier editions of books have been made to the latest editions, and some references to recent literature have been added; the table of contents has been reconstructed, and the index has been entirely rewritten. A brief "Conclusion" appended to the last chapter of the seventh edition has been expanded and supplemented to form a new final chapter, entitled "Recent Development of the Constitution"; this contains some important new material, notably a summary of the Reform Act of 1918, but unfortunately it gives no adequate account of the remarkable constitutional changes that have taken place in England during the last few years. A defect more serious than this is the confusion that results almost inevitably from the attempt to preserve an original text and at the same time bring it up to date. Excellent as Taswell-Langmead's book was when it appeared, some

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

forty years ago, its views and conclusions on many subjects, some of them of capital importance, have been rendered untenable by the subsequent progress of historical investigation. The editor's efforts to modify and correct the author's statements and opinions by reference to recent literature where opposite views are expressed, are more likely to befog than to enlighten. For example, any student of Taswell-Langmead's chapter on Magna Carta who obeys Mr. Phillipson's injunction and "sees" McKechnie's work on the charter will become hopelessly muddled—or lose all confidence in his textbook. A candid notice must add that the editor himself appears to have no knowledge of many important contributions to English constitutional history that have been made in recent years.

Dr. Thorstein Veblen and Mr. James M. Beck seem strange bedfellows. Yet we find Mr. Beck, in a book which he calls *The Passing of the New Freedom* (George H. Doran Company, 1920; xi, 169 pp.), taking the same view of the Peace Conference that Mr. Veblen suggested in a recent review of John M. Keynes' analysis of it. Two of Mr. Beck's chapters are imaginary accounts of conversations between the principals at Paris. In Mr. Beck's fancy Clemenceau is pictured as saying:

> We need not quarrel with the methods of the new diplomacy if we can secure quick results. The vital question is one of time. . . . For the present, our dead demand of us concrete results, not illusory abstractions. Above all, Russia is the crux of the situation. The time to crush Bolshevism is now. A year hence it may be too late and we may yet see Lenine and Trotzky dictating in Warsaw their terms of peace to Western Civilization. . . . Delay is fatal [pages 95–96].
>
> I would as soon defend Paris with a rainbow as France with a League of Nations. A nightmare fills me with a haunting dread that if we follow this *ignis fatuus*, the real victors of the war may yet be Trotzky and Lenine. . . . We should make peace with Germany now on our own terms with utmost speed and then crush Bolshevism before it is too late [pages 100–101].
>
> Two months have passed since the Armistice was declared, and in that time the situation has daily grown more menacing and increasingly difficult. The eclipse of Bolshevism is slowly passing over Europe. Delay is fatal; the times are critical beyond precedent. . . . Otherwise a year from now, all Europe may be on the verge of revolution and the fruits of the war hopelessly sacrificed [pages 102–103].
>
> Let me again say insistently and prophetically that I am more concerned about the present situation in Russia, which to me is the crux of the peace problem. Unless we can crush Bolshevism the war may be lost, and the time to destroy that serpent is now [page 105].

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This, of course, is not history, but it is interesting as the interpretation of a prominent American of the safe and sane school. Mr. Beck is a realist throughout. On his first page he begins with Clemenceau, in Wilson's absence, announcing the agreement as to the division of Germany's overseas dominions. The drama then proceeds as follows:

> Lloyd George (*Leaning back with the satisfied smile of one who has had a good meal*). Is not this the greatest real estate transaction since the Almighty gave Adam a fee to the world? . . .
>
> Makino. My honorable confreres must not forget that, in deference to our illustrious American colleague's views, we only take all the larger tracts of land as mandatories. (*All laugh heartily.*)

The main object of Mr. Beck's book seems to be to help people hate Mr. Wilson. He attacks from the right but uses many of the blows of those who hit from the left. On important points he is in surprising agreement with the views of men whom he most abhors.

The pronouncements of the *Institut de Droit International* occupy an interesting middle ground between treatises on the law of nations and the codifications found in international conventions. Its annual meetings, which were suspended in 1914 but which are to be resumed, were, as Francis Lieber wished, "not diplomatic, though international"; and the fact that it escaped the imputation of national bias may at least partly be ascribed to the circumstance that its deliberations were not hampered by official connections. In *Resolutions of the Institute of International Law dealing with the Law of Nations* (New York, Oxford University Press, 1916; xiv, 265 pp.) the Carnegie Endowment has published the text, in English translation, of the forty-nine resolutions and conclusions on international law adopted by the *Institut* since its foundation in 1873. These pronouncements have constantly been cited in diplomatic correspondence, in arbitral proceedings and in international conferences; and as the earlier numbers of the *Annuaire,* from which this material has been culled, are difficult to procure, the present compilation serves a useful purpose.

Under the title of *Recommendations on International Law and Official Correspondence Thereon* (New York, Oxford University Press, 1916; vi, 53 pp.), the Carnegie Endowment publishes a reprint of the recommendations adopted by the Second Pan-American Scientific Congress on the study of international law, together with resolutions of a similar tenor previously adopted by the Conference

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of Teachers of International Law. Translations of this reprint into Spanish, Portuguese and French are now in circulation throughout Latin America. The recommendations lay emphasis on the practical importance of international law in the life of the American continents and combat the supposition that it lacks legal precision and is not useful to the practitioner of law.

In the avowed belief that "the leadership in international organization has passed into firm and enlightened hands in this republic of ours", the Carnegie Endowment has reprinted, under the title of *Instructions to the American Delegates to the Hague Peace Conferences and their Official Reports* (New York, Oxford University Press, 1916; iii, 138 pp.), certain material relating to the part played by the United States at the two Hague Conferences. All the eighteen documents which the collection comprises are contained in the well-known work of Dr. James Brown Scott on the Hague Conferences, which issued from the Johns Hopkins University Press in 1909; but, while a few of them do not fall precisely within the field indicated by the present title, yet they all help to give a coherent idea of the origin and purposes of The Hague gatherings.

The same thing is true of *The Reports to the Hague Conferences of 1899 and 1907* (Oxford, Clarendon Press, 1917; xxxii, 940 pp.), also published under the auspices of the Endowment, comprising the declarations and conventions, the principal proposals of the various national delegations, and some documentary material bearing on the origin of the Conferences. The translations have evidently been carefully prepared; and a judicious variety of type and spacing tends to facilitate the use of the book as a work of reference. But, the greater the importance of an international document, the clearer becomes the necessity of having available the original official text.

In the volume entitled *Les Conventions et Declarations de La Haye de 1899 et 1907* (New York, Oxford University Press, 1918; xxxiii, 318 pp.) the same organization has supplemented in a useful way its English edition of the same documents, which appeared three years earlier. That the more recent volume is intended primarily for distribution in France is indicated by the placing of the table of contents at the end of the book, in Continental style, as well as by the use of the French language, in the introduction and in the rendering of United States diplomatic correspondence. The material contained in the two editions is identical except for the insertion in the French version of a short memorandum throwing additional light on the origin of the second conference.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In *Diplomatic Documents relating to the Outbreak of the European War* (New York, Oxford University Press, 1916; two volumes: lxxxi, iv, 1516 pp.), published by the Carnegie Endowment, there will be found English translations of the justificatory books issued by eight of the principal European belligerents. The officially authorized translations are given wherever they exist. At the beginning of each volume there is a table showing the official positions of the chief persons mentioned in the correspondence. There is also a general index, so arranged as to facilitate the comparative study of the books with respect to specific questions.

Of a somewhat different type is *A Survey of International Relations between the United States and Germany, August 1, 1914–April 6, 1917* (New York, Oxford University Press, 1917; cxiv, 390 pp.), constituting a justificatory statement of the reasons for the entry of the United States into the war, and an effective appeal to American and to neutral sentiment. The volume will continue to have a value as an exposition of the American attitude at a turning point in the country's history.

In *The Treaties of 1785, 1799 and 1828 between the United States and Prussia* (New York, Oxford University Press, 1918; viii, 207 pp.), also published by the Carnegie Endowment, under the editorship of Dr. James Brown Scott, there is reproduced without comment the diplomatic correspondence in the *Appam* and *Frye* cases. The volume includes decisions of federal courts bearing on the treaties, opinions of attorneys-general, President Grant's neutrality proclamation of 1870 and correspondence concerning the interpretation of the most-favored-nation clause in treaties.

In this relation it is appropriate to mention *The Armed Neutralities of 1780 and 1800* (New York, Oxford University Press, 1918; xxxi, 698 pp.), published by the Carnegie Endowment. Although there are fewer Americans today than there were early in 1917 seeking "a European precedent for armed neutrality", interest in the principles of neutral right so startlingly proclaimed by Catherine the Great in 1780, and in the coalition afterwards formed in the attempt to counterbalance England's naval supremacy, has not yet ceased to exist. The present volume contains a compilation of official documents, without editorial comment, and of excerpts from the writings of authorities on diplomacy and international law, and is of value to the student who wishes to obtain a comprehensive view of the subject.

In the discussion, which certain events have lately served to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

renew, of the subject of an "international court of justice", it is well now and then to be reminded of the fact that the nations of the world supposed ten years ago that they had established such a tribunal in the Permanent Court at The Hague. That this supposition was not wholly unfounded seems to be proved by *The Hague Court Reports* (New York, Oxford University Press, 1916; cxi, 664 pp.), published under the auspices of the Carnegie Endowment for International Peace. This collection, besides giving the arbitral agreements and the awards, adds documents throwing light on each case. It also includes two proceedings conducted by international courts of inquiry under The Hague conventions. In one of these—the Dogger Bank incident — the parties, England and Russia, expressly authorized the commission to assign responsibility and the degree of blame; and the inquiry thus resulted in an award of damages. Such a volume as the present also serves as a corrective of the supposition, more or less entertained, that international arbitrations result in compromise merely, and never in judicial decisions based on legal principles.

Nevertheless, there are those who desire a new tribunal, perhaps in addition to, rather than in substitution for, the Permanent Court at The Hague. The establishment of such a tribunal is advocated in *Une Cour de Justice Internationale* (New York, Oxford University Press, 1918; vi, 269 pp.), which is in the main a French translation of memoranda heretofore published by the Carnegie Endowment in English. The object of the French version is to bring the documents *"à l'attention d'un public plus nombreux"*. The work bears the signature of Dr. Scott and the indorsement of Mr. Root, who have lately composed the American delegation to the commission of jurists which formulated at The Hague the recently published plan of an international court of justice under the League of Nations.

Similar in object and in design is the *Judicial Settlement of Controversies between the States of the American Union* (New York, Oxford University Press, 1918; two volumes: xiii, viii, 1775 pp.), likewise edited by Dr. Scott and published by the Carnegie Endowment. About two-thirds of the space in these two bulky volumes are occupied by interstate litigations; the remainder is devoted to extracts from cases which illuminate the general problems of jurisdiction and of immunity of nations from suit, as well as extracts from cases relating to suits by individuals brought against states directly or through their officers. The desire that the work shall be regarded

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as a "case-book" is emphasized by the complementary *Analysis* (Oxford, Clarendon Press, 1919; xiii, 548 pp.), in which the cases are discussed one by one, as they might be in a course at a law school. What binds these individual analyses together is the declared purpose of the editor to demonstrate the quasi-international character of the jurisdiction—a view by no means universally accepted as sound.

The same thought runs through *James Madison's Notes of Debates in the Federal Convention of 1787 and their relation to a more perfect Society of Nations* (New York, Oxford University Press, 1918; xviii, 149 pp.), by the same editor and publisher. Madison's notes constitute, however, one of the sources rather than the subject-matter of the volume. The Constitutional Convention is regarded almost as an international conference; and a parallel is repeatedly drawn between the more important controversies among the state delegations, and the difficulties and eventual compromises which might be expected if delegates of the great powers of today were to convene with the serious intention of forming "a more perfect union". The rôle assigned by the United States Constitution to the Supreme Court is treated in some detail. It is argued that, just as that body succeeded the temporary commissions set up under the Articles of Confederation, so the machinery which now exists at The Hague for the creation of special courts for the arbitration of controversies between nations may be expected to pave the way for a more permanent and powerful international tribunal.

The recent tension between the United States and its neighbor south of the Rio Grande called forth several books indicative of the interest of a moment that was not long in passing. While most of them were written with the object of opposing armed intervention by this country, a few ventured to favor action of the sort. One of the works that shakes the "mailed fist" is *Mexico under Carranza* (Garden City, Doubleday, Page and Company, 1919; x, 270 pp.). According to its author, Thomas Edward Gibbon, an attorney of Los Angeles, the work is to be regarded as "a lawyer's indictment of the crowning infamy of four hundred years of misrule". He dedicates its contents to the "submerged eighty per cent of the Mexican people"—the peons—and quite as anonymously to some of his fellow townsmen who, having "invaded the mountains, deserts and jungles of Mexico to discover and develop" its resources, appear to believe that a further invasion of another kind is altogether appropriate. As a text-book for interventionists it serves its purpose

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

well. None who read it will fail to observe how strategically the material has been assembled and mounted on the firing-line.

An excellent treatise on a republic that the government of the United States has seen fit to place under the control of its navy is that by Otto Schoenrich on *Santo Domingo: a Country with a Future* (New York, The Macmillan Company, 1918; xiv, 418 pp.). Written by the secretary of the commission sent to inquire into the finances of the little land in question, it bears evidence of careful study and dispassionate handling. While easily the best account, historical and descriptive, of the Dominican Republic available in English, it suffers from a certain amount of diffuseness and iteration, which is apt to deter the general reader from going through the book in its entirety. As a reference work, nevertheless, it is a valuable addition to the literature of the Caribbean region, which is becoming so rapidly an American sphere of influence.

A book about the southern countries of the New World and their people which emphasizes in an agreeable way the wisdom of a closer and more sympathetic acquaintance with them on the part of Americans is that by Clayton Sedgwick Cooper on *Understanding South America* (New York, George H. Doran Company, 1918; xvi, 426 pp.). Without claim to erudition and not indicative of a familiarity with the subject attained in consequence of many years of investigation, it affords, nevertheless, a very useful survey of the characteristics of South Americans which ought to be observed and appreciated. The serious student of Latin America may think it rather superficial; but the general reader, to whom it is addressed, will find it a book much to his liking.

Despite the publishers' assurance that "here is a valuable book", anyone who really knows the subject would not place *Getting Together with Latin America* (New York, E. P. Dutton and Company, 1918; x, 221 pp.) in that exalted category. Its author, A. Hyatt Verrill, devotes an introduction and all of his text substantially to berating the American people for not understanding their fellow Americans of another type of civilization. He furnishes also a statistical appendix that might have been more accurate.

Like so many other collections of the sort, the papers and addresses presented at the Panama-Pacific Historical Congress, edited by H. Morse Stephens and Herbert E. Bolton and published under the title of *The Pacific Ocean in History* (New York, The Macmillan Company, 1917; vii, 535 pp.), possess unequal merit. They range over a variety of topics, general and special, in which all of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the countries that have had anything to do with shaping the destinies of the lands and peoples in or bordering upon that area from medieval times onward figure to a greater or less degree.

With the elimination of Germany as the main obstacle accomplished, C. Brunsdon Fletcher, author of *The Problem of the Pacific* (New York, Henry Holt and Company, 1919; xxix, 254 pp.), believes that the welfare of Australia in its relation to the British Empire is fairly assured. This, however, depends upon a suitable supply of labor from India for use in the Polynesian region and upon a guarantee that neither the "imperialism" of the United States nor the "Weltpolitik" of Japan will blight the prospect of Franco-British accord.

From Australia come two volumes of interesting essays by James W. Barrett, whose public services in medicine and as a member of the Council of Management of Melbourne University have given him a particularly wide range of observation. In *The Twin Ideals: An Educated Commonwealth* (London, H. K. Lewis and Company, 1918; two volumes: xxxii, 512; xx, 504 pp.) have been brought together many essays on social, political and educational topics that are all worth careful study. Americans will be pleased to discover in how many ways, little suspected by those not intimately familiar with the social life of both countries, Australia has profited by American examples. The careful reader will not fail to see how much gain there could also be by American imitation of various Australian methods.

The number of books on Great Britain's greatest dependency has grown of late to a point where it denotes the existence of a real demand on the part of the English-reading public for information on a subject long relegated to the mercies of missionary and mystic. The India of today is admirably portrayed in *India's Silent Revolution* (New York, The Macmillan Company, 1919; 192 pp.). Fred B. Fisher, the author, in collaboration with Gertrude M. Williams, has taken the wise course of refraining from supplying an introductory historical account which would have been quite meaningless if brief, and would have left no room for the rest of so concise a work, if long enough to be intelligible. Writing for American readers, he has adapted his treatise to the extent of knowledge which the educated among his countrymen might reasonably be presumed to possess. Resident at various times in India and familiar with the several British viewpoints as to Indian problems, he has gained an adequacy of acquaintance with the land and its people

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

which makes his description of the economic, social, political and religious situation always clear and often convincing. While his opinions with regard to the actual significance of what has happened just before and after the war to convert Hindustan into an object of primary concern to the world at large might coincide with those of the ardent type of nationalist, his closing assertion to the effect that, because of what has been promised by Great Britain, India "may well look confidently and hopefully into the future", would not. The book, nevertheless, provides an honest and fair-minded statement of the issues that have arisen in recent years and will have to be solved in the near future.

Among the numerous works published by the scholars of India in recent years with the view to making their country better known to readers of English, doubtless the most authoritative in its field is *The Foundation of Indian Economics* (London, Longmans, Green and Company, 1916; xxvi, 515 pp.), by Professor Radhakamal Mukerjee of Krishnath College, Berhampore, Bengal. In his discussion of the social environment, the cottage and village industries, the credit and trade systems and the economic progress of the country in general, the author shows unusual evidence of adequate equipment for systematic research and exposition. Especially valuable is the account he gives of the impress of European industrialism upon India. Highly commendable as the work is in these respects, the message it conveys is marred somewhat by moralizings, iteration and a hyper-scrupulous regard for detail.

A stage in the history of India's struggle for emancipation is represented in the *Speeches and Writings of Lord Sinha* (Madras, G. A. Natesan and Company, 1919; xxxix, 333 pp.). Lord Sinha is the first Indian to be appointed under-secretary at the India Office of London, and is also the first Indian to be elevated to the British House of Lords. His qualifications seem to have been, first, professional success at the Calcutta Bar, and secondly, a rather lukewarm and of course conservative interest in Indian politics. Nevertheless, as elected president of the Indian National Congress he did not fail almost to echo the stereotyped sentiments of "moderate" leaders. And in regard to the question of "racial equality", especially with reference to military service, there is hardly any distinction to be made between him and a radical patriot.

Upwards of twenty years ago Desdevises du Dézert, the French historian, began the publication of an elaborate study of Spanish institutions and culture in the eighteenth century, which offered a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tempting vista of possibilities to scholars who might wish to delve more deeply into the recesses that his work had laid bare. One of these possibilities has been very well developed in the treatise by André Mounier on *Les Faits et la Doctrine Économiques en Espagne sous Philippe V: Gerónimo de Uztáriz (1670-1732)* (Bordeaux, Imprimerie de l'Université, 1919; 301 pp.). In accordance with the implication of the title, the contents of the book are divided into two parts. Of these, the first is a survey of the economic situation in Spain at the time, as illustrated by the state of the population, the financial system, agriculture, industry and commerce. The second part discusses the life and writings of Uztáriz, eminent among the economists of his age. Based upon careful and prolonged investigation in the Spanish archives and other repositories of manuscripts, and marked also by an intimate acquaintance with the most reliable of secondary authorities, this contribution of M. Mounier to the knowledge of a period that is somewhat familiar to English readers in the antiquated work of Coxe affords evidence of scholarship of an unusually high order. Both the arrangement of the material and the luminous manner of its interpretation make it a valuable addition to the historical literature of economics. Particularly is this true of the portion dealing with the theories of Uztáriz himself, as set forth in his "Theórica y práctica de comercio y de marina". The analysis to which they are subjected, indeed, acquires a singularly graphic character, because of the deftness with which they are depicted upon the background of contemporary life in Spain.

Dr. R. Hingston Fox's *Dr. John Fothergill and his Friends: Chapters in Eighteenth Century Life* (London, The Macmillan Company, 1919; xxiv, 434 pp.) contains both an interesting account of the life of one of the most prominent London physicians in the middle of the eighteenth century and a brief résumé of the eighteenth-century development in England of medicine in particular and of natural science in general. Few men were more active than Dr. Fothergill in introducing exotic plants into the British Isles, and his collection of shrubs and trees at Upton was probably the most complete in Europe. His interest in strange and rare plants brought him into the closest connection with such English botanists as Peter Collinson and with that American genius, William Bartram of Philadelphia. The physician was a leader among the English Quakers and was vitally interested in the welfare of the colony of Pennsylvania. His interest in electricity drew him to Franklin, with whom he became very friendly during the latter's stay in London as

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the representative of four of the American colonies. When the colonists threatened to revolt he worked valiantly with Franklin and David Barclay to bring proposals of conciliation to the attention of the British cabinet, and it was no fault of theirs that the American Revolution was not averted, as the documents submitted by Dr. Fox clearly show. The book is scholarly and critical, well written and entertaining.

Mr. Philip Guedalla's *The Partition of Europe, 1715–1815* (London, Oxford University Press, 1914; viii, 312 pp.) is one of the many excellent English books published during the war that failed to reach the United States until after the armistice. It is a compact little volume, intended primarily, apparently, for class use in England. The style is lucid, direct and usually interesting. The author's happy gift of phrase is in striking contrast with the style of other handbooks that have been written on the eighteenth century. Undue amount of detail in some places and wealth of generalization in others makes the book hard reading for the uninitiated. Like other writers who have dealt with the eighteenth century, Mr. Guedalla devotes so little attention to the quarter century from the peace of Utrecht to the death of Emperor Charles VI that the significance of Elizabeth Farnese, Alberoni, Stanhope and Dubois is not clearly indicated. The chapters on the "Seven Years' War" and "The American Revolution" are good, and the brief account of Napoleon's dependencies is admirable. The book as a whole is a welcome and scholarly addition to the study of the pre-revolutionary epoch.

Expanded from an early essay, Bishop G. F. Browne's *The Venerable Bede: His Life and Writings* (London, Society for Promoting Christian Knowledge, 1919; xiii, 322 pp.), a book of frankly elementary and popular character, submerges the subject under a maze of more or less relevant details and anecdotes. From the standpoint of popular knowledge it has two noticeable defects. First, it is careless in the statement of historical facts. For instance, on page 222, Dionysius, the author of *De Coelesti Hierarchia*, is given as a contemporary of the early Caesars. On page 253 mention is made of "Julian of Campania, Bishop of Celanum (?)." The name of the diocese is queried by the author, and naturally, for the word in Migne and elsewhere is a misprint for Aeclanum (southeast of Beneventum), and the individual is the famous Pelagian known to students of theological history as Julian of Aeclanum. On page 67 we read: "The Patriarch Athanasius, it may be mentioned, calls himself Pope in these letters." The force of this observation will be lost upon those who know that in the fourth

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

century and long after, bishops in the East and in the West were called popes, and that the title is still applied to the Bishop of Alexandria. Secondly, the controversial intonation in which the author indulges is out of place in a book of this character. For example, Bede's adherence to certain dogmas cannot be disposed of by saying that he "uses words which a cautious writer of the present day might avoid using in public utterances because of the misconception to which his use of them might possibly give rise" (page 243). The religious significance of Bede—his spiritual efficacy and the moral beauty of his life and work—are worthy of attention today, but it cannot be said that the Bishop has done justice to the career of the Saint.

Industrial Administration (Manchester, University Press, Longmans, Green and Company, 1920; vii, 203 pp.) is the title of a volume comprising a series of lectures delivered in the College of Technology of the University of Manchester, England, in the winter of 1918-19. Four deal primarily with phases of the relation of science to the physical environment in industry, including the applications of psychology, the relation of atmospheric conditions to efficiency, occupational diseases and industrial fatigue. Although these four are not tied together in a unit, their very diversity impresses on the reader the unrealized possibilities in a more thorough-going application of scientific methods to industry. Four other lecturers discuss subjects bearing directly upon industrial relations as distinguished from physical environment. These deal with the social obligations of industry to labor, education as a function of management, industrial councils and their possibilities, and training for factory administration. To an American reader, the contrast of English conditions with ours is emphasized in the underlying assumption that organization of the workers in trade unions is an accepted fact. The discussion of training for factory administration is practical and should be suggestive for technical schools and colleges. One suggestion in this lecture might be expanded into a volume, so fruitful is it in possibilities. In discussing the future administration of business, St. George Heath says: "The faculty of cooperation will become nearly as important as that of initiative. Further, there will be an enormous increase in the administrative side of business, especially in the working out of common rules and standards for an industry and in the application of these common rules to individual cases." The cultivation of "the faculty of cooperation" is a problem of education which has unlimited possibilities for industrial relations. The volume has the limitations of a collection of contri-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

butions without sufficient development of the important topics introduced, but it has the strength of the varied points of view represented in a distinguished list of lecturers. These include T. H. Pear, psychologist, A. E. Berriman, engineer, Dr. T. M. Legge, Medical Inspector of Factories, Leonard Hill, physiologist, B. Seebohm Rowntree, T. B. Johnston, St. George Heath, and A. F. Stanley Kent, Director of the Department of Industrial Administration, Manchester, under whose auspices the lectures were given.

Harry Gunnison Brown gives an able classical analysis of the distribution of wealth, coupled with advocacy of the single tax, in *The Theory of Earned and Unearned Incomes* (Columbia, Missouri, Missouri Book Company, 1918; xi, 258 pp.). He demonstrates clearly the communistic logic underlying any "ability-to-pay" theory of taxation which fails to discriminate between incomes which do and those which do not stimulate production (pages 247-248). Professor Brown's entire analysis is made for the purpose of differentiating "earned" from "unearned" incomes. The latter he would eliminate altogether. He divides them into three classes: incomes from anti-social practices, which he would eliminate by prohibiting the practices; incomes from monopolies, which he would eliminate by government ownership or regulation; and the rent of land, which he would eliminate by taxation, without mercy for "vested rights". All other forms of income, generally speaking, are "earned". In particular, interest on capital, if the capital itself was fairly earned and is used in socially desirable ways, "is earned in the sense that the effort and waiting done by the producer and saver of the capital secure for the community as much wealth as the capitalist receives in interest" (page 250). This sweeping justification of interest implies, perhaps, a more perfect correlation than exists between reward and service. It implies also that all interest is indispensable as an incentive to the formation of capital, ignoring the argument that much of the interest which would be eliminated by heavy progressive taxes on personal incomes and inheritances is likely to be what the economists call "savers' surplus". The author fails to realize that the "elimination" of unearned incomes can be but temporary. Any "social" use made by the government of the "eliminated" incomes is a direct or an indirect addition to the incomes (real or money) of individuals; and it is an "unearned" income, albeit distributed on fairer principles than at present. Without a systematic study of the possible alternatives in its distribution, one is in no position either to affirm or to deny (as does the author)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that the wind of taxation should be tempered to the (otherwise) shorn lamb who had to pay for his land a price enhanced by the past failure to tax its rent. To allow him part of his unearned income may, or may not, prove to be as wise a way as any other to dispose of it. The author's discussion of "vested rights", however, deserves attention. The book should disprove once for all the shallow myth that no economist has favored the single tax.

Among publications in support of reform measures a high place must be accorded to the "Current Facts" pamphlets of the National Consumers' League (New York, National Consumers' League). Those entitled "Minimum Wage Commissions" and "Equal Opportunity for Women Wage Earners: Facts vs. Fiction" present the evidence in favor of the League's chief legislative proposals for the protection of women, a minimum-wage law and an eight-hour law, in a manner that is both enlightening and convincing. The first shows that the highest weekly wage thus far fixed by any wage commission is the $16.50 wage for women and girls in mercantile trades in Washington, D. C. The best commissions, the League states, are those which make separate awards for each industry and recognize the varying costs of living in different localities. The policies of reviewing rates annually, increasing rates because of increase in living costs, drawing up detailed budgets for clothing and for "sundries", fixing the proportion of learners and minors permitted to any employer, shortening the period of apprenticeship and gradually increasing the pay of learners, are also noted with approval. The experience of states having minimum wage commissions, the League says, shows that the minimum wage has not become the maximum, nor has any industry been driven from any state because of such legislation. The second pamphlet is an effective answer to the arguments against protective labor laws for women advanced by the Women's Equal Opportunity League. By marshalling the opinions expressed by numerous authorities from Justices of the Supreme Court to less known investigators of the effect of long hours on health and efficiency, it shows pretty conclusively that the interests of wage-earning women as a class have been and will be promoted by minimum-wage and eight-hour legislation. These pamphlets helped to persuade the New York senate to pass the bills advocated by the League during the session that ended last April, and will be effective instruments in the educational campaign which it will continue to press until the obstructionists in the assembly have been either converted or displaced by more enlightened and progressive leaders.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In commenting on the intellectual progress of the world the remark is often made by certain educators that the average college student of our day is better informed than Aristotle was in his day. What this comparison is intended to convey is that, owing to the increased complexity of current economic and social organization, the minimum of information required for viability in modern civilization is much greater than it was in ancient times. Just now one of the most pressing as well as one of the most absorbing problems is the problem of labor and industry. But it is not given to everyone to make a first-hand study of this problem. For this reason such a volume as Mrs. Mary Beard's *A Short History of the American Labor Movement* (New York, Harcourt, Brace and Howe, 1920; 174 pp.) will be found a very useful handbook. It is written in clear and simple language and covers faithfully the events of chief historical and current importance in the American labor movement; and it fills adequately the need of that class of readers and students who are gifted with a degree of intellectual curiosity at the same time that they are handicapped by limited time and multiplicity of interests.

Professor Joseph Shield Nicholson's *War Finance* (second edition, London, P. S. King and Company, 1918; xxxii, 504 pp.) is largely a republication of articles in the field of war finance written by the author for various British magazines. It covers a wide variety of subjects, stressing credit inflation, its methods and results; the war loan policy of the British government; the budget; and the economic aftermath of the war. The book is outspoken in its criticism of many phases of the British government's war financial policy, especially the policy of currency and credit inflation. It contains material and suggestions of much value in the field of economic and financial reconstruction.

The Abolition of Inheritance (New York, The Macmillan Company, 1918; xxvii, 321 pp.) by Harlan Eugene Read is one of the recent books of the propagandist type. To Mr. Read most of the ills of life would disappear with the disappearance of the inheritance of private property. Inheritance has been greatly curtailed by taxation, and this and various other facts on which Mr. Read endeavors to base his suggestions are entirely correct. In consequence it is likely that the book will have more influence than it deserves. The quality of the general reasoning, however, may be inferred from the utterly fallacious statement that "the theory that wages tend to the margin of subsistence is an accepted doctrine of political economy".

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The third volume in a series of essays upon various aspects of the war, as they appeared to the mind of an eminent Italian economist, is entitled *Politica: Criteri ed Eventi* (Bari, Gius. Laterza and Figli, 1918; xii, 254 pp.). Its author, Matteo Pantaleoni, has brought together in as many chapters fourteen articles reprinted from the columns of one of the best known journals of Italy. Ranging over topics suggested by the events of the period between 1915 and 1918, the comments show a remarkable insight into the situation, both national and international, even if they very naturally stress themes that appeal to the special interests of the writer's own countrymen.

Though little that is soothing or startling will meet the reader of John M. Mecklin's *An Introduction to Social Ethics* (New York, Harcourt, Brace and Howe, 1920; ix, 446 pp.), there is much that is informing and some that is thought-provoking. The author has read widely in philosophy, psychology, history and in that type of book which, like his, considers the state we are in and how to improve it. He has absorbed what he has read, so that his book is his own, although much of it is a composite picture of the work of others. Among the topics considered are individualism, public opinion, tradition, private property, business enterprise, and the common characteristics of the men and women who make up most of the world we live in. The author's solution of the problems he poses is quite commonly the golden mean. Happily he does not dogmatize, and he is equally free from cynicism and from unthinking enthusiasm for guaranteed cures for social ills. His marshalling of facts gives body to his thinking. Yet among the facts a prominent place is given to the ideas that have held sway from time to time, so that we are not allowed to forget that what men feel and think makes a difference and that men in groups by taking thought can add a cubit to their group stature. Mr. Mecklin is gentle and not too searching, but he raises pertinent questions, and his freedom from any intellectual strait-jacket should inculcate in his readers an intelligent flexibility.

Also gentle and not too searching is *The Unfinished Programme of Democracy* (New York, B. W. Huebsch, 1920; 326 pp.) by Richard Roberts, a Welsh clergyman now resident in America. In the matter of practical suggestions Mr. Roberts begins about where Mr. Mecklin leaves off. The ethical note dominates the tone of his book so thoroughly that its main *motif* is the inspirational. "When we have finished with the business of procuring and eating bread," says Mr. Roberts, "then the real business of life begins. . . . The task before us, therefore, is the deliverance of life from the ascen-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dancy of the economic motive; and at bottom this means the redemption of commerce from the obsession of profit-making." But the first steps toward this higher good require economic and political changes. So Mr. Roberts has a good deal to say about newer social theories and desires. He seems to be seeking a spiritual sanction for the program of the British Labor Party and the views of the English intellectuals who sympathize with it. He urges quite as strongly that this program when victorious shall be put to spiritual uses. The values on which Mr. Roberts is most intent do not admit of quantitative analysis and would not come within the purview of any discipline that professes to be an exact science. But they often add to the motive power of apologists for things present and of protagonists for things to come, and so are not to be neglected by students of social change.

In a new edition of *The Passing of the Great Race* (New York, Charles Scribner's Sons, 1918; xxv, 296 pp.), which first appeared in 1916, the author, Madison Grant, has laid stress upon the significance of the phases of his previous description of the races of Europe and their crossing in recorded history which have a special relation to the war and to the United States. According to the introduction by Henry Fairfield Osborn, the work is "devoted to an attempt to elucidate the meaning of history in terms of race". Some of its readers, however, might obtain the impression from a careful perusal of the contents that it is an effort to identify moral, spiritual and psychological traits with physical characteristics as determinative of racial and historical importance, and to glorify the "Nordic" race, while deploring the conflict between its two great branches, which threatened the destruction of its supremacy in the world.

However much Charles Wood in *The Great Change* (New York, Boni and Liveright, 1918; lx, 214 pp.) reflects early and perhaps superficial enthusiasms engendered by America's response to the call of war, his book of essays still has value as a record of man's hopes in times of trouble and of desperate resolve. Printed first as Sunday editorials in the *New York World*, the essays have the dash of journalistic style and the miscellaneous character of the modern daily. They record the gist of interviews near the close of the war with many prominent persons who in one way or another indicated how, in their eyes, the war had changed the prospects of the world. Schwab and Dewey, Veblen and Baruch, chairmen of government boards, trade-union leaders, reformers and business men, all appear as seventh sons of seventh sons. By and large, though some retained

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a balanced point of view, all saw the world as entering upon a different sort of civilization than was ever known before. Belief in the power of ideals of cooperation and in the potency of new realizations of man's power over nature, coupled with ability to alter society's customary ways, seems to have been the common note.

A book similarly hopeful in tone but much less miscellaenous is *Race Regeneration* (London, P. S. King and Son, 1918; xii, 223 pp.) by the chairman of the Health Committee of the Bradford Corporation, Dr. E. J. Smith. The work is not a treatise on eugenics. Rather does it reflect the author's wide experiences as a volunteer in the field of philanthropy. Many details of recent work in England in the field are reviewed, and innumerable suggestions of practical value are offered.

These suggestions are by no means as definite in character, however, as are those contained in a recent publication by the Russell Sage Foundation by Evart G. Routzahn and Mary Swain Routzahn called *The A.B.C. of Exhibit Planning* (New York, Russell Sage Foundation, 1918; xiv, 234 pp.). This is compact and categorical enough to be a handbook. Amid discussion of many matters of exhibition technique, however, there is always to be found a keen appreciation of psychological values. Especially useful are the chapters on "Why do you wish to have an exhibit?", "What will you do with it?", and "How follow it up?". If the promoters of various drives for philanthropic purposes had given a few hours' study to this book, various serious mistakes could have been avoided readily.

The editors of *The American Year Book for 1918* (New York, D. Appleton and Company, 1919; ix, 850 pp.) have successfully attempted to furnish the student as well as the general reader with a survey of the progress of events in 1918. The mass of information contributed by experts in various fields is arranged in thirty-one departments, each of which is carefully organized and cross-referenced. In addition to the usual comprehensive review, the World War and international relations are stressed at the expense of details relating to elections, personnel of state and municipal governments, political personalities, literary and scientific institutions and societies. Statistical material is reduced to a minimum, while considerable space is allotted to documents and important speeches. The work is well indexed and, as a whole, is a useful and valuable compendium which should find a place in every library.

The American Labor Year Book, 1919-1920 (New York, Rand School of Social Science, 1920; 447 pp.), the third to be published

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

under the able editorship of Alexander Trachtenburg, reflects the confused developments of the period of reconstruction and reaction through which the world is now passing. Like the earlier volumes, it is divided into six parts: Labor in the War, the Labor Movement in the United States, Labor and the Law, Social and Economic Conditions, the International Socialist, Labor and Coöperative Movement, and the Socialist Movement in the United States. Publication was delayed by the seizure of the editor's materials on behalf of a New York legislative committee in connection with the raid on the Rand School in the early summer of 1919. This permitted the inclusion of later information in regard to events in 1919, which makes the volume somewhat longer than its predecessors. Contributed by nearly four score different writers, the articles are inevitably of varying merit and thoroughness. All, however, attest the care with which the editor has held his co-workers to the statement of facts rather than of opinions and to the rigid exclusion of unessentials. Like the earlier volumes, this Year Book is the most convenient and reliable reference book available in English in regard to the labor and socialist movements.

In the Creighton Lecture for 1918, *Our Great War and the Great War of the Ancient Greeks* (New York, Thomas Seltzer, 1920; 85 pp.), Gilbert Murray has made a delightful addition to the literature of Greek history and of the recent war. He points out the surface similarities between that war, which Thucydides regarded as the greatest of wars, and our own Great War, in the character of the combatants, the widespread influence of the conflict and the disquieting effects on moral and political values. He avoids the mistake of carrying the parallel too far and devotes his skill to bringing out the effects of the war in Athens and the criticisms of the government by the peace party. The picture is rendered most vivid by the use of excerpts from the sources, particularly from Aristophanes, freely translated into modern idiom. At this means of vivifying ancient history for the modern reader Gilbert Murray is a past master.

The Greeks of Asia Minor are still the true representatives of the ancient race which has played its part so well on a stage that has remained set these thirty centuries. M. Charles Dufayard in his *L'Asie Mineure et l'Hellénisme* (Paris, Librairie Félix Alcan, 1919; 103 pp.) shows from reasons historical, intellectual, economic and moral how these Greeks of Asia Minor have prepared themselves for, and how much they deserve, their freedom. The author makes

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a very strong plea for the preservation in Asia Minor of the beauties of Hellenism, and bids the Greeks prepare to take their place alongside their European brethren in the march toward the classic ideal of wisdom, worth and works.

If we take our standard from the actual rather than from the ideal, law books for laymen deserve praise when they manage to refrain from doing positive harm to their readers. This praise and more is due to Thomas Conyngton's *Business Law* (New York, The Ronald Press Company, 1920; two volumes: xxvii, xiii, 870 pp.). Instead of contenting himself with collecting delusive generalizations the author focuses his attention on practical business problems and shows what legal questions they raise and how the problems may be handled so that legal controversy may be avoided. He likens courts and lawyers to hospitals and doctors — good when you need them but not to be courted otherwise. His book is a manual in prophylaxis rather than in first aid to the injured. In approach and method it is guided by a practical common sense which makes it much superior to the diluted legalism too often characteristic of similar efforts. It suffers, of course, from the limitations inherent in all attempts to present a highly technical subject to a non-technical audience. But by keeping these limitations in mind Mr. Conyngton has reduced their menace to a minimum. He allows himself sufficient space for each topic, so that he is really informing and not merely puzzling. He gives the reason as well as the rule. His book is a surprisingly successful performance in a field where failure is frequent.

The temptation to popularize information, and to simplify what are fundamentally complex industrial problems in order to ward off suspicion of impending crisis is almost irresistible. It would be altogether unfair to Professor Frank T. Carlton to say that he is not aware of the complexity of the modern labor problem. Yet the impression of a too sanguine view of the situation is unavoidable after reading his *Organized Labor in American History* (New York, D. Appleton and Company, 1920; 313 pp.). The book consists of a series of more or less popular essays on various topics related to the labor movement in the United States in its historical development. Though not as substantial as the author's earlier *History and Problems of Organized Labor*, it is quite readable and is bound to appeal to those amenable to a point of view colored by religious fervor and ecstatic hopes with regard to current industrial problems and their solution.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED